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LATIN AMERICA REPORT

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BRIEFS

YACYRETA DECISION--Confirming the government's decision to carry on the implementation of the Yacyreta hydroelectric project, Public Works and Service Minister Conrado Bauer has said that "the implementation of Yacyreta is a historic mandate for Argentina." On installing Hugo Carlos D'Angelo as the new executive director of the Yacyreta binational enterprise, Bauer said "the project is important for many reasons, First of all, it will be instrumental in building a regional development center and the simultaneous implementation of other Brazilian, Paraguayan and Argentine-Brazilian projects will result in the concentration of energy potential, industrial growth and integrated production in that area which we have no doubt will become one of the most energetic areas in South America." Bauer said the objective of the project is "to create a development center in the Argentine northeastern region and Paraguay which will, in turn, result in strengthening the prospects of the region, which has great potential wealth." [Text] [PY080109 Buenos Aires CLARIN in Spanish 3 Sep 82 p 6]

CSO: 3010/2293

NEW POWER LINES INTO SIERRA MAESTRA OPENED

Havana GRANMA in Spanish 29 Jul 82 p 3

[Article by Joaquin Oramas]

[Text] Bayamo, MN--The national electric power system was extended to the foothills of Sierra Maestra with the electrification of the village of Cienaguilla which is located in an area where important economic plans are being carried out and in which the second sugarcane mill to be built by the revolution in the territory of the present province of Granma will be constructed.

When he spoke at the ceremony for the inauguration of this project, Daniel Rodriguez Verdecia, first secretary of the Party in Campechuela, spoke, among aother things, of the impetus this gives to the sugar cane, pineapple, cacao, coffee and cattle raising plans of the region and he also spoke of the possibility of developing a rural base in Los Lajales on the spurs of the Sierra, one of the most beautiful places in the province.

With words full of emotion he mentioned some of the projects of the revolution in this town whose inhabitants lived 25 years ago in total desperation.

Likio Ramon Perez, director of the Union of Enterprises of Transmission and Distribution for Basic Industry, also reported that the Cienaguilla electrification project meant the construction of a line 22 km long which benefitted approximately 350 homes and 14 state service centers.

He also disclosed that this year 205 socioeconomic objectives had been electrified in Granma Province including nine mountain villages, 6,200 homes and dozens of production and service centers. Lines 145 km long with a capacity of 33 kW or less were built. The construction of 110 kW double circuit lines was extended from Bayamo to Manzanillo and 700 street lights were installed.

To complete these projects, which required an investment of 2,280,000 pesos, 200 workers were mobilized throughout the nation. Together with the Granma industrial personnel they made extraordinary efforts, working more than 12 hours a day, to keep their commitment in honor of the 26 of July.

ANDEAN PACT REVISION UNDER CONSIDERATION

Caracas ZETA in Spanish 15 Aug 82 pp 22-23

[Text] In a short time we will become the largest purchaser in the Andean subregion, without benefiting ourselves. The automatic lowering or elimination of the tariff barriers that expire in 1983 could cause the bankruptcy of our entire industrial operation. The Venezuelan Council for Industry advocates the censure of the Andean Pact.

The Andean Pact will again come under discussion, at both official and private levels, especially because the expiration time for the elimination of the tariff barriers is approaching. To study the possibilities for revising this, the government has appointed a committee in which FEDECAMARAS (Association of the Chambers of Commerce and Industry) will participate. For its part, the Venezuelan Council for Industry favors Venezuela's rejection of the Andean Pact, whereas CONSECOMERCIO and FEDECAMARAS agree to its reformulation in such a manner as not to prejudice the vital interests of the Venezuelan economy. The CTV (Confederation of Venezuelan Workers) is also in favor of a fundamental revision of the Cartagena Accord, because the interests of Venezuelan workers could be seriously affected if our country chooses to remain within the pact under the present conditions.

Since this matter is extremely delicate and complicated, ZETA's economic coordinators have requested from an expert of recognized professional standing, a serious and objective analysis of the implications of the Andean Pact at this stage of our developmental process. Dr Pedro Burguillo, professor of economics at the Central University of Venezuela, has carried out this work, which explores Venezuela's advantages and disadvantages within the pact and the possible difficulties if we do not react in time.

Dr Burguillo begins by affirming that Venezuela has always been coerced into signing these integrationist agreements after their respective dates of initiation, apparently as a manifestation of doubt about the advantages that might derive from such pacts. Note that the Treaty of Montevideo (AIAIAC 1960) was signed 6 years later (1966) and the Cartagena Accord 4 years later (1973). Substantive reasons support this apparent lack of confidence of the Venezuelan integrationists, the expert maintains.

In the first place the same economic inequities that were evident among the countries of the ALALC exist in the case of the Andean Pact. Bolivia and Ecuador present a picture of significant economic backwardness in comparison to Peru and Colombia, and much more so in relation to Venezuela, this latter being the only country in the Pact that is in a position to finance its economic and social development on its own.

Secondly, with the pact in force, in fact, the subregional market expanded to a level greater than 80 million inhabitants for 1981. But what is the meaning of this figure in terms of real demand? At the level of the subregion more than 50 percent of those inhabitants have an average disposable income of approximately 150 dollars annually, and 25 percent have not more than 250 dollars. As a result their purchasing power is extremely limited, particularly for goods classified as "urban". The population of Venezuela is more than 80 percent urban, so that the structure of our industrial production has adjusted itself to the urban pattern of consumption. For the rest of the subregion the population is barely 50 percent urban, with consumption patterns comparable to those of Venezuela.

Another aspect that is noteworthy is that related to our cost structure. No one in the country is ignorant of the fact that our production cost level is not determined by the competitive situation of the national economy, but by the presence of the petroleum sector and its role in generating purchasing power above and beyond the supply generated by our productive apparatus for nonpetroleum-related goods. The salary levels in the petroleum industry surpass those in the rest of the productive sectors, reducing our competitive capacity in the subregion. Actually, one more cost inflation factor is added in addition to the increase of the financing costs because of the increase in interest rates.

The fourth aspect--Dr Burguillo points out--refers to the overvaluation of our type of exchange. This is a very obvious fact. There is considerable disparity between the buying power of the bolivar in the domestic order and that in the exterior. Any traveler can verify this without much effort.

Twenty years ago the CERAL (Economic Commission for Latin America) made a study of this aspect, and it was clear that with the same amount of money that in Venezuela will purchase 100 units of products, one can acquire 200 in Colombia, 210 in Mexico, 225 in Brazil and 230 in Argentina. It is evident that this disparity has become much more pronounced at present, especially with the inflationary process suffered by our economy in recent years.

Cachicamo Works for the Pact

If due precautions are not taken, Venezuela will appear as a "diffuser" of the national petroleum income to the benefit of the rest of the subregion. It is very difficult for Venezuelan industry, given the present recession suffered by the national economy, to develop a competitive capacity to a degree sufficient to face the tariff reductions that culminate in 1983 with the total disencumbrance of the products that appear in the Supplementary List of Exceptions, considered critical for Venezuela.

that there are real and monetary factors overlapping in this situation that will more and more increase their effect on the structure of the national economy, everything seems to indicate that Venezuela will in a short time become the "great subregional buyer," to the detriment of internal productive activity. This role has already demonstrated its effects in the first results attributable to the working of the Pact. The inter-subregional trade was worth 146 million dollars in 1971 and increased to 352 million in 1973, the year of Venezuela's entry in the Andean Pact. Three years later, in 1976, it had already reached a magnitude of more than 900 million. In terms of the flow of commerce, Venezuela's balance of trade relative to the rest of the subregion has been negative since 1974, having reached in 1979 a deficit of the order of 200 million dollars in non-traditional products. The share of Venezuela in this flow is barely 6 percent, as compared to the 85 percent represented by Colombia and Peru together. This situation will of course be aggravated even more when the elimination of the tariff barriers culminates in 1983.

The advantages deriving from the sectoral programs of economic development have not materialized either. Many of these have not yet been included in the respective legislation of each country. The controversial metal-mechanical program has still not been approved by Venezuela, but already our country is importing more than 40 percent of the metal-mechanical program assigned to Ecuador.

This program is of great importance for Venezuela and its discussion will demand great efforts to make it serve the country's interests. Venezuela's position is that the situation of the iron and steel industry should be resolved before the programming of the metal-mechanical and automotive industries.

There still exist many reserved products whose scheduling will not be ready for 1984, which signifies their direct and immediate passage to automatic tariff reduction. The rest of the national production sectors also contain significant discrepancies in regard to the application of the Accord of Cartagena, which will require specific consideration within the negotiations yet to be realized.

It may be deduced that the character of the Venezuelan economy is not complementary to the rest of the subregion in a degree sufficient for the realization of reasonable agreements that will favor the interests of the participants. During the years the Accord has been in effect nothing of importance has happened in Venezuela's development of the subregion. It appears, rather, that Venezuela should direct its efforts in exportation toward the Central American and Caribbean markets, within a regular exchange plan different from the type of unilateral transfers that identify a large portion of our transactions with these geopolitical areas.

The Cartagena Accord envisions a regimen of declarations of specific cases as negotiable and having possibilities for agreement, but nothing can be anticipated concerning a generalized proposal of the character required in the case of Venezuela.

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OSD: TDM/1162

LATIN AMERICAN TRADE FEDERATION MEETING

Caracas EL UNIVERSAL in Spanish 3 Aug 82 p 12

[Text] The 30 countries that will meet in Caracas starting today for the tenth convention of the Latin American Federation of Foreign Trade (FELACEX) will try to collaborate in a plan to fight the inflation that constitutes one of the principal restraints in the economic development.

This afternoon the president of the republic, Luis Herrera Campins, will inaugurate the FELACEX convention. Formal consultations will start on Wednesday and will last until Friday, when conclusions and recommendations will emerge.

The subjects to be discussed at the convention will be basically those related to Latin American integration, inflation, international economic relations and the political-commercial and financial relations.

Within the topics, the problem of inflation will receive special treatment by virtue of the fact that it is a very important factor limiting the region's economic development.

One of FELACEX's most important objectives during this convention is the development of a joint plan to curb the inflation growth.

The functioning of the Latin American integration plan will also be revised with the aim of perfecting it. The principal problems related to this matter will be examined very carefully and the possibilities of taking the integration to untouched areas will be considered.

Within this context, Latin American economic relations will enjoy preferential treatment because of the conviction that it is necessary to strengthen the unity of Central American and South American countries.

That is, the need to redesign economic interchange systems in view of the lesson of the Malvinas conflict, which demonstrated the extreme vulnerability existing in this area. That is to say, there must be a general revision.

The convention will not only look into the old problems, it will also dedicate a large portion of its time to analyzing the new elements present in the

problem of the development of the countries in the region. Among these will be those relating to inflation, the vulnerability of the external sector of the economies, the problems generated by the inequitable distribution of income and others.

At the end of deliberations a document to be known as the "Caracas Declaration" will be drawn up. This will be a summary of the principal recommendations and conclusions and will compile the positions of the countries in the area in relation to matters of great transcendence.

The inauguration of the convention as well as the deliberations that follow will take place in the building housing FEDECAMARAS (Association of the Chambers of Commerce and Industry).

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CSO: 3010/2162

ESSEQUIBO ADVISORY COMMITTEE TO BEGIN WORK IMMEDIATELY

Caracas EL NACIONAL in Spanish 23 Jul 82 p D-20

[Text] The group of 12 presidential representatives in the Advisory Commission for the Recovery of the Essequibo should become a work subcommittee that would provide information to the plenary commission and should start its work immediately after being sworn in and appointed, since a month of the period established in the Geneva Accord for the beginning of negotiations has already gone by.

This approval was made by Gabriel Angel Lovera, recently chosen by the president of the republic from among 12 presidential representatives that make up the advisory commission.

Representative Lovera has a 42-year service record in the Foreign Service and was a negotiator in the demarcations with Aruba, Bonaire and Curacao, which were unanimously approved by the negotiators from Holland, Caracas and the Caribbean islands mentioned.

In his opinion the initial efforts of the work subcommittee would be directed toward acquiring the maximum amount of information so that the Venezuelan Foreign Office may hasten the negotiations with its Guyanese counterpart. He said that his appointment was "a great honor" and that he, as well as the rest of the members, is ready "to work patriotically" in order to collaborate in a matter so crucial to Venezuela.

We expect to provide the maximum collaboration to achieve an equitable solution, following the Geneva Accord, but taking as primary consideration the interests of Venezuela. Also, we must hasten with the work, since one month of the three envisioned for the beginning of negotiations has already passed, but we must arm ourselves with patience in order to negotiate insistently.

The Visit of Boutorse

The demarcation with Guyana, according to Lovera, has one very important aspect, which is our country's need to broaden its access to the Atlantic. For this reason he believes that the visit of the commanding general of the armed forces of Surinam, Desire Boutorse, who arrives today in Caracas, is a very positive development.

Everything that involves an interchange of ideas with our neighbors in Guyana is of interest to Venezuela. It is logical that there should be intercommunication between Surinam and Venezuela, especially when our country is interested in developing an outlet to the Atlantic.

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CSO: 3010/2162

MARTINEZ DE HOZ RENDERS REPORT ON FOREIGN DEBT

Buenos Aires LA NACION in Spanish 22, 23 Aug 82

[Two-part article: "Martinez de Hoz Explains the Foreign Debt"]

[22 Aug 82 pp 1, 2, 3-6]

[Text] The problem of the Argentine foreign debt (the third-ranking in the world in size) is one of the most pressing ones at present, owing to the extremely large amounts due that have accumulated during this second half of the year. But, in addition, the argument has arisen as to how it came about, and for what spending it was used. Hence, the article by the former minister of economy, Dr Jose A. Martinez de Hoz, on the subject is very interesting. Its publication begins today, and it will continue tomorrow. To shed more light on this topic, LA NACION will seek the opinion of leading personages in the political and economic realm concerning Dr Martinez' explanations.

One aspect of the country's economic situation during this phase of the so-called postwar period of 1982 which is very often mentioned in official statements as well as by the various private and political sectors is that of the foreign debt, both public and private, with various concerns voiced regarding it.

In its edition of Sunday, 4 July of this year, LA NACION published a contribution in which I set forth my views on the need for external financing to give an impetus to our economy's development, as well as on the level of the net Argentine foreign debt (gross debt minus international reserves). As of 31 December 1980, this debt was equivalent to a little under 2 and a half years' worth of exports for that year (the same relationship that existed as of 31 December 1975); and, as of 31 December 1981, it represented about 3 and a half years' worth of the last year's exports.

I also emphasized therein the use that was made of a large portion of the loans which caused this foreign debt, citing the major public works program carried out during the period 1976-80, as well as the intensive process of reequipping both the public and private business firms during that 5-year period, in addition to military reequipping.

It has been stated that the aforementioned "heavy debt" (sic) has not generated a productive capacity that would facilitate its repayment, with the claim that the bulk of those funds "left the country" either as investments abroad or

tourist travel and spending abroad, or through the "artificial" invasion of imports which replaced native production from 1979 until March 1981 (sic).

Based upon that claim, the "bulk" of the funds from the loans procured abroad was apparently not used for the purposes for which they were contracted (public works, and reequipping of public, private and military business firms); and "they left the country" to pay for the spending that is cited in a pejorative manner.

In the first place, it would appear that, in these notions so conceived, totally different things have been confused, such as the debts to be paid abroad, in periods ranging from a few months to over 20 years, with travel "expenses" (which may or not be associated with tourism), that are generally paid in cash or within the year. In the Balance of Payment published by the Central Bank, the item called "travel to and from abroad" shows, for the entire period 1976-80, an accrued negative balance amounting to \$2.4294 billion.

Although this item is not a component of the foreign debt, and although the amounts for the last 2 years of the 5-year period were larger than the usual ones for the previous years, their level does not appear to have seriously hampered the country's capacity for external payments. Moreover, the possibility of traveling cannot help but have favorable repercussions on the population's cultural level, helping to enhance human dignity and not curtailing freedom to move about.

'Artificial' Imports

Insofar as imports are concerned, it is difficult to determine which ones were "artificial." For the 5-year period 1976-80, the composition of the annual average thereof was as follows: 54 percent raw materials and intermediate products; 23.1 percent capital goods; 13.7 percent fuels and lubricants; and 9.2 percent consumer goods. As for the latter, apart from their small percentage, they are not synonymous with "luxury" or "superfluous" goods, many of them being necessary to improve the people's quality of life, such as educational, scientific, and medical and surgical materials, and other similar types, the tariffs on which were reduced to zero for that reason, with the conviction that it is not desirable to doom our population to backwardness in this area. At any rate, it may be said that 90 percent of our imports have been linked with the productive process.

The Use of the Loans

To prove the use made of the loans which caused the rise in the foreign debt during the period 1976-80, it is fitting to consider the details of the various items therein, based upon the breakdown according to debtors provided by the Central Bank.

Evolution of the Foreign Debt

With the Argentine foreign debt for the period 1976-80 quantified and distributed in the manner indicated in the foregoing tabulation, some features of that debt should be pointed out.

In the first place, both because of the international liquidity in existence as a result of the recycling of the petrodollars, and because of the growing confidence

evoked among international financial circles by the progress of the Argentine economy, it was possible to procure increasingly better conditions for interest and terms for the loans going to both the public and private sectors, which put Argentina in a privileged situation, even in comparison with that of other countries with a similar degree of development.

With regard to the so-called medium and long term "syndicated loans" guaranteed by the state, it may be observed that the average margin of the annual interest rate over the Libor (London interbank rate) was 1.875 percent in 1976, declining year after year until it reached an average of 0.6198 percent in 1980 (during the course of the latter year, the banks of the nation and province of Buenos Aires each managed to obtain margins which were cut to 0.50 percent).

As for the terms, these loans fluctuated between 4 and 15 years, and their total amount during the period 1976-80 was \$6.555 billion (see report of the Central Bank for 1980 and 1981).

The international agencies, for their part, played a major role in this process. The Inter-American Development Bank approved a total volume of loans for the public sector and some Argentine private firms amounting to \$1.3058 billion for the period 1976-80; in other words, three times the amount for the previous 5-year period 1971-75, which was \$465.9 million. The terms for these loans range from 15 to 25 years, with annual interest rates (not over Libor) of from 2.25 to 3.60 percent. Among the private business firms benefiting from these loans granted with the government's backing, mention might be made of Pescarmona, Inc, in Mendoza (a manufacturer of capital goods and heavy equipment), the cellulose firms, Alto Parana, Inc, and Puerto Piray, Inc, in Misiones, and the mixed companies affiliated with the Bahia Blanca Petrochemical Pole. Large loans were also granted for rural electrification, urban and rural drinking water programs, and the improvement and expansion of rural education.

Loans From the World Bank

The World Bank also provided record volumes of loans, amounting to \$818 million for the period 1976-80, compared with \$84 million during the previous 5-year period, 1971-75. The terms for these loans ranged from 15 to 20 years, with annual interest rates of from 7 to 8.9 percent.

During the period 1976-80, the International Financing Corporation granted \$64 million in loans to six firms (Alpargatas, Ipako, Minetti, Massuh, Alpesca and Acindar), compared with \$5 million during the 5-year period 1971-75, provided to a single firm (Calera Avellaneda). The terms for these loans were 8 years, with an interest rate of 11 percent.

The advantage offered by the loans from these institutions, in addition to the terms thereof, is that they serve to lend support for the operation, which makes it possible to gather other banks around them with the so-called "joint financing" under the best market conditions.

The National Development Bank and the Bank of the Nation acted to channel external financing to the industrial and agricultural-livestock firms, particularly for the

projects involving new plants or expansion and modernization of the existing ones. Hence, they procured sizable lines of credit from the World Bank, IDB and Eximbank [Export-Import Bank], as well as from leading institutions in the European countries.

The confidence of the international financial circles also enabled Argentine private firms to obtain loans from the government and private banks abroad, to finance both their expansion and reequipment projects and their imports and requirements for progress, in amounts and under conditions of terms and interest impossible to procure on the local market.

Another outstanding feature of the period 1976-80 was that an effort was made to reestablish the Argentine presence on the international capital markets, especially on those with long-term securities. This is how not only traditional markets were opened, but also other new ones for selling on them securities or bonds of the national state and its companies on terms of from 5 to 10 years, and with interest of from 5.5 to 9.875 percent (there was only one issued for 5 years, and more than half were for 10 years).

All of this helped to serve the purpose of gradually improving the profile of the Argentine foreign debt; in other words, extending its due dates in time.

The Profile of the Foreign Debt

In 1975, the foreign debt was comprised of approximately halves shared between the public and private sectors (51 percent and 49 percent). Of the total of this debt, 48.8 percent fell due during the course of the next year, and the private one had been surcharged with heavy subsidies due to "swaps" made in 1975, which were totally eliminated during our administration so as not to compromise the future.

The improvement of the foreign debt profile, that is, the stretching of the structure of its due dates, particularly by extending them to 5 years or more, was achieved starting in 1976 through various external financing operations which I have mentioned; reaching 31 December 1978 with 35.4 percent which fell due during the next year; 36.1 percent, in from 2 to 4 years; and 28.4 percent, in 5 years or more.

It should be noted here that, when the figures for the Argentine foreign debt are compared with the statistics published by the international agencies and by the majority of the nations of the world, it must be taken into account that the latter include exclusively long-term obligations of the public and private sectors with a guarantee from the state. The Argentine statistics were more extensive, because they also covered a private debt without government backing. But, following a change in methodology adopted by the Central Bank in October 1978, the statistics on the Argentine foreign debt were expanded further still, to include the entire debt, whatever its term was. Therefore, since 1979 the statistics on the foreign debt published by the Central Bank have not been strictly comparable to those for the previous years (see report of the Central Bank for 1979, pp 85-86, and for 1981, p 93, Note 4).

The figure on the total foreign debt as of 31 December 1978, namely, \$12.4961 billion, rose to \$19.0347 billion as of 31 December 1979; with the greatest increase shown in the private debt, which rose from \$4.1391 billion to \$9.0744 billion, whereas the public debt rose from \$8.357 billion to \$9.960 billion.

The Central Bank's report for 1979 (pp 85-86) shows that, if the short-term commercial liabilities are excluded, the resulting foreign debt as of 31 December 1979 is cut from \$19.0349 billion to \$16.3939 billion, with \$9.3897 billion relating to the public sector, and \$7.0042 billion to the private sector. In other words, over \$3.300 billion of the increase registered in the statistics for 31 December 1979 relates to these commercial operations with a term of up to a year, originating in a sizable increase in the value of international trade, owing both to its volume and to the decline of the dollar as a world currency.

The Commercial Debt

Furthermore, the same Central Bank report for 1979 (p 86) undertakes to explain that the effect of these short-term due dates in the balance of payments "must be analyzed taking into account the fact that a significant proportion of the commercial liabilities (and certainly also a proportion of the financial loans) are rotating in nature."

With respect to the increment in the private public debt, a major influence was wielded by the greater freedom for turnover of goods and capital, which prompted an increase in commercial and financial loans from abroad, owing to their lower cost, in comparison with the rise in local interest rates which occurred after the decontrol thereof. This greater flow of low-cost external loans helped to prevent a greater hike in local interest rates, by diverting the demand of the domestic financial market abroad.

There is also an additional factor that should be considered in the analysis of the increase in the foreign debt. Although the gross foreign debt (without considering the aforementioned change in the methodology for computing it) increased by \$6.4589 billion between 31 December 1978 and 31 December 1979 (rising from \$12.4961 billion to \$19.03477 billion), during the same period the international reserves rose from \$6.0372 billion to \$10.4796 billion, at the end of 1978 and 1979, respectively. In other words, the increase in the net foreign debt (gross debt minus reserves) was far less: \$2.0962 billion (the difference between the net foreign debt of \$6.4580 billion as of 31 December 1976 and of \$8.5551 billion as of 31 December 1979).

Between 31 December 1979 and 31 December 1980, the total foreign debt rose from \$19.0347 billion to \$27.162 billion, divided nearly in halves between the public and private sectors (53.2 percent and 46.8 percent, respectively). The major increment registered by the public debt was due to both the needs for financing the investments required in works and reequipment (some of this being of a special nature) and to the deviation to the external market of the credit pressure from the public business firms and agencies on the local capital market. In this respect, the government sector gradually reduced its share of the volume of local bank credit that it had been absorbing, cutting it from 45.6 percent in 1975 to 27.2 percent in 1980 (this percentage is even less if one includes the credit

granted by the financing entities which are not banks, and which are directed toward the private sector).

As for the private debt, it continued to increase in volume for the aforementioned reasons relating to its growth in 1979. Insofar as its terms are concerned, a shortening took place, owing to the suspense created regarding the exchange policy that the new authorities due to take office at the end of March 1981 would adopt. This prompted the Central Bank to eliminate, after 10 July, the minimal term of 1 year previously required for the entry of funds from abroad, to prevent the cancellation of foreign debts which would not have been renewed for that reason. Thus, the private debt on a 1-year term came to account for 65.7 percent of the total, compared with 37.4 percent for the public foreign debt on a 1-year term.

The Difficult Change in Government

During the first 3 months of 1981, owing to the fact that it was impossible for us to set up a suitable coordination with the new authorities to insure an orderly transfer of the government, the suspense associated with a modification in the exchange policy increased starting in the second quarter. This resulted in a major increase in the cancellations of the private sector's liabilities abroad (including the loans for prefinancing exports brought in during previous periods), giving rise to an advance in payments as the outlook for exchange security narrowed. Hence, during the first quarter of 1981, the net outlays of foreign exchange amounted to \$2.9798 billion (see report of the Central Bank for 1981, pp 91-92). This occurred despite the fact that the public sector increased the contributions for external financing by \$2.711 billion during that quarter.

The cancellation of private liabilities abroad that has been cited prompted a decline in the level of international reserves amounting to over \$2.000 billion, in spite of which, as of the last business day of our administration (27 March 1981), the level of those reserves reached a total of nearly \$5.000 billion, exceeding that which could be shown by any other government administration in the modern history of the country.

Change of Authorities

It should be stressed that, in this way, amid the aforementioned difficulties, the change of authorities took place at the end of March 1981 without the declaration of an exchange holiday and without resorting to exchange insurance, swaps or financial hedging, the cost of which would be transferred to the subsequent period. On the other hand, when we took office at the end of March 1976, we had to cope with a heavy burden stemming from those devices which had been adopted by the previous government, and which were resorted to again, in sizable amounts, during 1981, and, more recently, starting in July 1982, the cost of which will have to be borne by the country in the future.

However, the loss of international reserves may not have been the most serious consequence of the way in which the 6-month transition period that elapsed between the appointment and office-taking of the new president on 29 March 1981 took place. The suspense concerning modification of the exchange policy which was reflected in the advance payment abroad and the non-renewal of external loans,

prompted the hike in interest rates in the local financial system, as a result of the effort to retain deposits in pesos, against the pressure on the exchange market. Both at the end of 1980 and during the first quarter of 1981, I stated constantly that if confidence was not restored on the exchange market, the recession process which was becoming discernible at the end of 1980 would be seriously exacerbated during the coming months, because of the high level of interest rates. Unfortunately, that was what happened, and the intensification of the recession process occurred with all its negative results, including a rise in unemployment which, during our administration, from the end of 1978 to the end of 1980, had dropped to 2 percent, the equivalent of a situation which, rather than one of full employment, could be described as one of over-employment.

The Level of Interest Rates on the International Market

An aspect of the foreign debt which is also mentioned often as a cause for concern is its high rate of interest and also the burden that it represents on the balance of payments.

There is no doubt that the oil crisis in 1979 triggered a change in the international economic situation which was reflected in conditions marked by greater inflation and high interest.

For this reason, citing the amount reached by the payment of annual interest in relation to exports has ceased to be representative, and this is generally being replaced by the relationship of the volume of the debt to exports, as a more representative indicator.

In the speech that I delivered on 30 September 1980, at the International Monetary Fund's annual assembly, representing all the Latin American countries and Spain, I upheld that position, stating:

"Finally, it is also fitting to give a reminder that the interest which the country must pay for its public foreign debt was to some extent offset by the interest earned from the selling of its international reserves. This proved significant during the course of our administration, when the Central Bank's reserves exceeded \$10 billion at the end of 1979, and even when they later declined to over \$7 billion at the end of 1980. A sizable portion of them was deposited abroad, earning the pertinent interest."

A reversed movement can be anticipated for the future because, owing to the decline in international interest that has taken place lately, this could mean a reduction in the amount of interest to be paid on our foreign debt.

The Financial and Commercial Foreign Debt

The statistics on the foreign debt, both of the public and the private sectors, classify it as financial and commercial. The latter relates to importing operations. The so-called "financial," for its part, includes not only the loans earmarked for floating capital, but also those originating with the purchase of capital goods and physical investments.

The government statistics do not explain this distinction. A sizable and even preponderant portion of the public debt appearing in the government statistics without a breakdown was used precisely to finance the purchase of equipment for the public and private business firms, as well as for the financing of public works. The good conditions of interest and terms, owing to the confidence in Argentina's economic progress, made it possible to replace the traditional supplier's credit (the "tied up" credit) with the financial credit granted to the national purchaser of those goods and industries, which was obtained under better conditions than the former, and with freedom to select the origin of the goods and adjudication without ties. Much of the investment which caused the increase in the foreign debt was financed in this way, as will be observed later.

Foreign Debt for Capital
(in millions of dollars)

Items	31-12-75	31-12-80	Increase
Public Sector	4,021.3	14,459	10,437.7
A. Government services	1,168.4	6,344	5,175.6
1. National government	1,117.5	5,471	4,353.5
a. Central administration	732.9	3,100	2,367.1
b. Binational entities	-	1,244	1,244
c. Decentralized agencies	384.6	1,127	742.4
2. Provincial governments (including Municip. of B.A.)	44.8	829	784.2
3. Municipal governments	6.1	44	37.9
B. State enterprises	921.3	1,370	448.7
C. Firms with state participation	1,169.8	5,704	4,534.2
D. Banks	761.8	1,041	279.2
1. BCRA [Central Bank of the Argentine Republic]	704.8	-	-
2. Other government banks	57.0	1,041	984.0
Private Sector			
A. Private firms	3,853.8	12,703	8,849.2
Total:	7,875.1	27,162	19,286.9

Note: In dollars of 1980 constant value, the total foreign debt as of 31 December 1975 is equivalent to \$12.363 billion; in other words, the increase in the gross foreign debt between that date and 31 December 1980, instead of being \$19.2869 billion in current dollars, is \$14.799 billion in 1980 constant dollars.

[23 Aug 82 p 11]

[Text] In this issue, LA NACION continues the publication of the report from the former minister of economy, Dr Jose A. Martinez de Hoz, concerning the investment of the funds procured through loans from abroad, which we began publishing in yesterday's edition.

Real Public Investment During the Period 1976-80

The public investment during the period 1976-80 showed the highest levels ever recorded in our country's history, both in absolute terms and in proportion to the gross domestic product, since national accounting has been kept.

From the preceding table, therefore, we find that the amount of public investment made during the period 1976-80 totaled nearly \$40 billion. This sum is four times larger than the increment in the gross external public debt for the same period (\$10.4777 billion, see Table I).

If one considers the fact that the direct imported component of the public investment during that period ranged between 20 and 25 percent, one infers that there was a correspondence between that component and the increment in the external public debt. Thus, there was fulfilled in fact an internationally accepted rule for financing the imported component of the public investment projects with external loans.

The Annex to this article contains the list of the leading public works and investments made during the period 1976-80 in the categories listed in Table III.

Conclusions

From all that has been stated previously, the following may be concluded:

a. The increase in the Argentine foreign debt during the period 1976-80 gave an impetus to the capital formation in the country, both in the public and the private sectors. It was this foreign debt, which has been challenged so much recently, that made possible a sizable investment in fundamental public works to make up for the backwardness in our socioeconomic infrastructure, as well as in the reequipment required for the modernization and greater productive efficiency of the public and private business firms, along with military reequipping.*

Although the large investments in economic infrastructure (electric power, roads, bridges, ports, telecommunications, rail, ship and air transportation, etc.) are marked by a slow return, it is unquestionable that they provide the conditions for improving and expanding the country's production capacity. The same holds true for oil and gas, as well as the modernization of the equipment in the public and private business firms.

Without access to the international financial markets, under the best conditions at the time, thanks to the confidence aroused in them by the execution of the economic program announced on 2 April 1976, it would have been impossible to put into effect the investments that have been detailed in the course of this article.

Note. The military reequipping includes not only items that have been totally imported, but also some of native production (such as the TAM tank, the submarines and their respective shipyards, and the Pucara), which have a certain percentage of parts or components that have been imported.

In other words, the financing of these investments in works and equipment is what brought about most of our foreign debt, which was not, as some people seem to think, allocated for the purchase of candy or for expenses of tourist travel abroad.

b. As of 31 December 1980, the level of our net foreign debt (gross debt minus international reserves) was equivalent to less than 2 and a half years' worth of the exports for that year. This ratio of 2.4, which is the same that existed for the net foreign debt as of 31 December 1975, was compatible with the country's capacity to pay, provided its politico-economic progress was normal, and it enjoyed the confidence of the international financial circles. Without this confidence, any level of a foreign debt is bad, and there would be difficulty in managing it.

c. The increase in the external public debt during the period 1976-80 is equivalent to a fourth of the investment made in the public sector during the same period. This overall proportion for that sector is in keeping with the internationally accepted rule regarding the imported component of the public investment projects.

If the total public investment for the 5-year period had been less, the increment pertaining to the foreign debt would have been also. What is at stake here is the decision on the total amount of investment in the public sector.

Increase in Investment During the Period 1976-80

The table shows an increment in all items during the period 1976-80, in comparison with the previous 5-year interval 1971-75.

The figures are those contained in the last available publication of the Central Bank (June 1982), which are in current pesos and which we have converted into 1970 constant pesos, deflating them according to the national non-agricultural-livestock wholesale price index.

Imports of Capital Goods

The foregoing table records the increase which occurred in the investment in durable production equipment during the period 1976-80, in both the public and private sectors. This sizable increase was benefited by the policy of reduction and elimination of the import duties levied on capital goods and, obviously, the loans used for purchasing them are part of the foreign debt.

In other words, during the period 1976-80, there was a virtual doubling of the value of imports of capital goods, both in the annual average and the total thereof.

Furthermore, during 1979 and 1980 (always in 1980 dollars), the record levels of \$1.7065 billion and \$2.3000 billion, respectively, were reached; and, during 2 other years of the same period, 1977 and 1978, the level thereof ranks in fourth and fifth place for the maximum annual imports of capital goods made in the country. The years in which the level of \$1 billion (in constant 1980 values) was exceeded, and their respective order, are as follows:

Rank	Year	Billions of US\$ (1980 constant)
First	1980	2.3000
Second	1979	1.7065
Third	1962	1.5456
Fourth	1977	1.5240
Fifth	1978	1.3962
Sixth	1961	1.3832
Seventh	1960	1.1789
Eighth	1963	1.0276

Moreover, out of the total imports of capital goods in 1979 and 1980, the amounts corresponding to the private sector were 82 and 70 percent, respectively.

The Foreign Debt and the Country's Production Capacity

In our opinion, from the items and figures that have been set forth, one draws the general conclusion that the larger foreign debt that occurred during the period 1976-80 benefited the process of capital formation in the country, in both the public and private sectors.

It is obvious that the large investments in economic infrastructure (electric power, roads, bridges, ports, dredging, rail, ship and air transportation, telecommunications, etc.) are marked by slow return, but there is no doubt that they provide the conditions for improving and expanding the country's production capacity.

The same thing might be said about oil and gas, the larger supply of which not only facilitates the supplies of fuel, but also provides the raw material for the petrochemical industry.

As for the private sector, the tariff reform benefited in particular the importing of capital goods (essential for achieving modernization of the production equipment), the effects of which may perhaps not have been possible to observe fully, both because of the time required for the installation and putting into production of the new equipment and machinery and because of the recessive conditions on the market, starting at the end of 1980, which may have precluded the full utilization of these supplies.

The tariff and tax reform also brought about a significant reduction in the cost of many raw materials and input, also affording the possibility of incorporating the modern technological advances, with computer and automatization systems that would make it possible to increase productivity, perfect the quality controls and optimize the economic results.

We find examples of this in all sectors of national industry, the list of which would be too long to give: metallurgy, iron and steel, automotive, petrochemical, chemical, cellulose or paper, textiles, food, machine tools, household utensils, civil and naval construction, etc.

This process has also benefited streamlined investment and a process that tends to reverse an excessive dispersion of production units where a certain economy of scale is required. Major mergers which have occurred in the automotive, iron and steel, tobacco and other industries are public knowledge, as is the disappearance of manufacturing units which were too small or obsolete for their type of production, with their replacement on the market by others which were modernized and expanded to meet the same or a greater demand at lower costs.

It is true that the amount of labor employed in industry has declined, but this is not negative; because it was accompanied by an increase in productivity and a process that has tended to reduce costs, by contracting with third parties for many services previously performed with the industry's own personnel. (In this instance, the service itself has come to be recorded in the public accounts as a "service," while previously it was computed under the item of "industry").

For the industrial sector, these accomplishments may be summarized under the following points:

- a. During the period 1976-80, the private investment in durable production equipment increased, in constant currency, by 20 percent, compared with the previous 5-year period, 1971-75 (according to data from the Central Bank).
- b. During the period between the first quarter of 1976 and the first quarter of 1981, industrial productivity doubled (data from a study by FIEL [Latin American Economic Research Foundation], which calculates the productivity by dividing the total value of industrial production, in constant currency, by the total number of industrial workers, multiplied by the mean number of hours worked by each one).
- c. The transfer of technology gained by our industry increased substantially. Whereas, in 1976, there was official approval of 116 contracts for transfer of technology amounting to \$32 million, in 1980 there was a total of nearly 500 contracts, involving \$580 million.
- d. The reduction and elimination of tariffs on imports of capital goods (equipment and machinery) prompted a heavy flow of investment to modernize the equipment in our economic system, virtually doubling the rate of import of capital goods for the previous 5-year period, and reaching the record level of \$2.300 billion in 1980.
- e. In 1980, the exports of manufactures of industrial origin (not including manufactures of agricultural-livestock origin) amounted to a record volume of over \$1.800 billion, and their percentage of 23 percent of our total exports also represented a record level. The annual average for these exports during the period 1976-80 was \$1.5766 billion, registering a sizable increase (63 percent) over the average for the previous 5-year period (1971-75), which was \$65.9 million.

Imports of Capital Goods
(in millions of 1980 constant dollars)

5-Year Period	Annual Average for the 5-Year Period	Total Accrued During the 5-Year Period
1956-60	783.5	3,917.3
1961-65	989.1	4,945.4
1966-70	671.6	3,358.0
1971-75	839.7	4,198.5
1976-80	1,535.8	7,678.9

Real Public Investment (1976-80)

Government Oil Deposits	4,769.9
State Gas	774.7
Government Coal Deposits	242.6
Water and Electric Power	2,878.7
HIDRONOR [North Patagonia Hydroelectric Company]	451.2
SEGBA [Greater Buenos Aires Electrical Services]	750.1
Salto Grande	742.7
Yacyreta	356.1
Corpus	16.3
National Atomic Energy Commission	1,310.9

Energy Sub-Total 12,293.2

National Roads Directorate	2,509.9
Argentine Railroads	1,087.6
ELMA [Argentine Shipping Lines]	247.0
River Fleet	40.7
General Ports Administration	192.0
Argentine Airlines	389.1
Buenos Aires Subway	40.3

Transportation Sub-Total 4,506.6

ENTEL [National Telecommunications Company]	1,741.8
ENCOTEL [National Mail and Telegraph Enterprise]	62.6
Argentina 78 TV	59.0

Communications Sub-Total 1,863.4

Sierra Grande Patagonian Iron	207.9
Agua del Dionisio Mine Deposits	13.0

Mining Sub-Total 220.9

Real Public Investment (1976-80) [continued]

Sanitation Works of the Nation	821.0
SOMISA [Argentine Joint Iron and Steel Association]	526.1
Other industrial enterprises	417.4

Industries Sub-Total	943.5
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Rest of the National Administration	7,048.8
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National Public Investment Sub-Total	27,697.4
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Provinces and Municipality of Buenos Aires	11,870.0
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Total Public Investment, 1976-80	39,567.4
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Gross Fixed Internal Investment

Increase during the 5-year period 1976-80, compared with 1971-75
(in constant values)

Public Investment			Private Investment			Total	
	Construction	Durable Production Equipment	Total	Construction	Durable Production Equipment	Total	Pub. Inv + Priv. Inv.
Total	59%	38%	52%	30%	20%	26%	36%
Per Capita	49%	30%	43%	21%	11%	17%	27%

2909

CSO: 3010/2294

'HERALD' ON ALEMANN'S CALL FOR PROBES

PY080210 Buenos Aires BUENOS AIRES HERALD in English 7 Sep 82 p 10

[Editorial: "Dr Alemann's Challenge"]

[Text] Dr Juan Alemann's assertion that huge sums of money earmarked for the 1978 World Cup preparations were recklessly squandered and have yet to be fully accounted for was serious enough, and certainly merit an exhaustive investigation by the appropriate authorities, either now or later when congress is once again sitting and public spending is properly scrutinized. These assertions, however, are of relatively minor significance when compared to what he has been saying recently about the risks he was running by speaking out about this matter. He implied that his comments would so irritate senior naval officers directly or indirectly involved in the affair that "something" might "happen to him" and that if it did the people responsible would be the former junta member Admiral Emilio Massera, who since retirement has become an outspoken critic of the "process" and an aspiring politician, and Vice Admiral Carlos Alberto Lacoste. To support this allegation of murderous tendencies he referred to the bomb attack on his house and statements said to have been made by an individual in Spain who claimed Massera had ordered him to kill Alemann. To reinforce the picture he drew of Massera being a man prone to violence he also mentioned his "private army," saying it was far too big for its ostensible purpose and should therefore be disbanded.

This, however, is not all. Dr Alemann has now accused Massera of answering questions about the "dirty war" in bad faith because he played a prominent role in it. He has also demanded a serious investigation into two notorious crimes he says were in no way connected with the military onslaught against the left, the murder of Elena Holmberg and the kidnapping (and presumably murder) of the regime's ambassador to Venezuela Hector Hidalgo Sola. Dr Alemann did not say that Massera was connected with these cases, he simply said that they should be cleared up because the victims were not "subversives." Had they been known leftwingers Dr Alemann, it would seem, would not see any need for any effort to find out precisely what happened to them.

The navy high command has now initiated legal proceedings against Dr Alemann on the grounds that his statements have affected the good name and honour of senior members of the institution. This is an entirely legitimate response and makes nonsense of Dr Alemann's suggestion that some naval officers dealt

with their critics in a somewhat different fashion. If Dr Alemann has evidence to prove that Massera is the kind of man he has implied he is then he will have an opportunity to present it. If this evidence is not really evidence at all the whole world will know. In either case, justice will be served. In recent years in Argentina far too many people who occupy or once occupied high positions in the armed forces or the government have been the victims of smear-campaigns that depend on innuendo and hear-say and not on any verifiable facts. Now, at last, the country may see a genuine effort by an independent court not subjected to pressure from any powerful institution to find out the truth about crimes that have never been properly clarified. It would be a curious consequence of a controversy about public spending, but nonetheless it is something that will have to take place sooner or later for the good of everyone concerned and of the country.

CSO: 3020/170

BRIEFS

FISCAL FRAUD CHARGES--A lawyer has filed charges of fraudulent administration against former Economy Minister Jose Martinez de Hoz and former Economy Minister Jose Diz in connection with the sharp increase in Argentina's foreign debt under their administration. Jorge Eduardo Sola filed a complaint with federal Judge Martin Anzoategui in which he claims that the persons who negotiated Argentine loans made close to four billion dollars in commissions. Sola maintains that Argentina is currently indebted far beyond its possibility to pay back the loans it made, and that Diz and Martinez de Hoz are legally responsible for this situation. [Text] [PY052247 Buenos Aires BUENOS AIRES HERALD in English 5 Sep 82 p 13]

NAVY ON CHARGES--Buenos Aires, 6 Sep (DYN)--Navy headquarters reported today that Vice Adm Carlos Lacoste has asked for the appointment of an investigating committee to look into the charges by former Finance Under Secretary Juan Alemann concerning the management of the 1978 World Soccer Cup Committee. According to an official communique, the files will be submitted to the Justice Ministry in order to start the corresponding legal actions: The communique reads: "With reference to the statements that Mr Juan Alemann made publicly and which may involve navy officers, the navy headquarters hereby reports: "That at the request of Vice Adm Carlos Alberto Lacoste, it has decided to appoint an investigating committee to look into matters which are of Vice Admiral Lacoste's particular concern. That it has decided to submit all files to the justice minister asking that public authorities start the corresponding legal actions." [Text] [PY070141 Buenos Aires DYN in Spanish 2238 GMT 6 Sep 82]

CSO: 3010/2293

COLUMNIST ON ELECTORAL RULES COMPLIANCE

PY081859 Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 Sep 82 p 2

[From "Castello's Column" by Carlos Castello Branco: "President Has To Comply With Law"]

[Excerpt] The right to participate in the electoral campaign, drumming up support for his party's candidates, cannot be denied to the president in the exercise of political leadership. He only has more than the duty of informing the public on government questions, problems and adopted solutions, a duty which is normal in democratic regimes. The president's participation in political campaigns is never questioned in countries living under democratic regimes. Therefore, it should be admitted that General Figueiredo is not only acting correctly but also with loyalty to the party of which he is the honorary president by assuming the leadership in campaigning for his party and party candidates.

The president can and should be criticized for his initiatives in imposing on congress the passage of electoral rules which restrict the voters' free choice. The electoral process has been complicated to fit a special plan drawn up in accordance with security considerations in order to retain areas of power which are threatened by the notorious preferences of public opinion. The criticism has been made by all possible means, but without success because the government still controls some authoritarian instruments for imposing its will both on congress and on political parties.

Going back to the electoral campaign carried out by the president, objections can only be raised when he departs from the terms of the law. Presidential messages and speeches in favor of his party's candidates will violate the law if they are carried over radio and television after 14 September. While presiding over rallies and inaugurations from now on, President Figueiredo can no longer ask for votes for the PDS [Social Democratic Party] over radio and television. Campaigning through the media is to be controlled by the electoral court and to be subject to the terms of that unbelievable "Falcao Law."

CSO: 3001/234

BRIEFS

PRC COCOA PURCHASES--The PRC has concluded the purchase of 1,000 tons of cocoa from the Amazon region. This is the largest single purchase of cocoa ever made by the PRC from Brazil. The transaction totals \$1.5 million. During the past season, 1,499 tons of Cocoa from Bahia State were exported to the PRC. This time the PRC preferred the cocoa from the Amazon region due to its similarity with African cocoa. [Text] [PY042051 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 4 Sep 82]

CSO: 3001/234

BRIEFS

ARCHIPELAGO TELEVISION STATION--Beginning on 7 September, the inhabitants of San Andres and Providencia Islands will have two TV networks. On one of them the programs that are seen on the continent will be broadcast, and on the other a selection of the best programs of the second continental network will be shown. Gustavo Castro Caycedo, director of the National Institute of Radio and TV (Inravision) said that this was decided upon on the basis of an opinion survey of the majority of the inhabitants of the islands conducted by means of interviews, telephone and mail. Previously, programs were specially edited in Bogota and sent by air to the Simon Bolivar Station in San Andres. Later it was decided that the entire programs of the first network would be sent. Now, under the new administration, a system has been devised which, without increasing the expenses, will give the TV viewers two choices. Equipment not being used has been put into condition to provide this new service. This will result in a greater degree of integration of the islanders with their fellow countrymen. A similar opening survey procedure has been launched in Leticia, capital of Amazonas. [Text] [Bogota EL TIEMPO in Spanish 23 Aug 82 p 7-A] 9204

CSO: 5500/233

U.S. FOREIGN POLICY OBJECTIVES CRITICIZED

OAS, CBI

Havana JUVENTUD REBELDE in Spanish 22 Jul 82 p 4

[Commentary entitled "Grotesque Spectacle," in "In the Open" column, by Miguel Enrique; words enclosed in slantlines printed in boldface]

[Text] On the pretext that his presence would lend impetus to his plan to give "aid" to the Caribbean basin, Mr Ronald Reagan took part in Caribbean Night, held in the rooms the defunct OAS still has in Washington.

As people know, the president of the United States sponsored a plan for "development of the Caribbean" that represents a /tiny bit of aid/ of \$.90 for each inhabitant of 20 countries whose coasts border the Caribbean Sea.

The calculation of \$.90 is not ours but that of the Association for Caribbean Studies (ACS), whose members are distinguished North American, Caribbean, and British economists.

(Despite the stinginess of the offer, there are not enough votes in the U.S. Congress, which approves scandalous credits for armaments, for such a /squandering of funds/.)

It should be pointed out that U.S. trade with Caribbean countries exceeds \$61 billion annually and that its one-sided investments in the region are on the order of \$13 billion.

One can imagine what the Caribbean represents in profits for the North American conglomerates that have been exploiting it for over a century.

At the OAS, Mr Reagan said such surprising things as these: "Now is the time to act; later it may be too late"; "Our neighbors deserve our cooperation"; "We share a commitment to freedom and independence. . . ."

What action could he be talking about? The gunboats and the training of murderers? Increased support for the figureheads-without-a-country for U.S. interest in the area? Urgent shoring-up of tyrannical governments serving Yankee imperialism?

Cooperation? What cooperation? That of the wolf in sheep's clothing?

What commitment to /freedom and independence/ does the Caribbean share with the United States?

The one Washington observed in the Malvinas when supporting the brutal military intervention of a foreign power intended to maintain the islands' status as a British colony and to humiliate a Latin-American country, which simply tried to reclaim sovereign rights and recovery a piece of its territory that was snatched by armed force?

Interesting person, Mr Reagan!

So much so that, while speaking before the coffin of the OAS about /freedom and independence/, about the \$350 million constituting the /tiny bit of aid/, he plans to provide over \$100 million to the genocidal lackey regime in El Salvador, \$35 million to the Honduran military men interfering in that bloody Central American country and becoming the imperialist Yankees' tools for use against revolutionary Nicaragua, \$10 million to Baby Doc (We are not saying "Haiti" because we all know that this guy is a vulgar delinquent), \$11 million to the Guatemalan torturers and executioners, and \$50 million to that caricature of frustrated "miracle," Edward Seaga, who misrules in Jamaica.

As space is running out, we are not going to refer to the effrontery that is going to be perpetrated on 28 July, when the president of the United States certifies to Congress (so that it will approve payment of the payroll for the Salvadoran janissaries) that the regime in that unfortunate country is making progress with respect to /human rights/.

Consider Maj Roberto D'Abuissou [as published], murderer of the archbishop of San Salvador, and Gen Jose Guillermo Garcia, a born criminal, both of them anointed and blessed by the champion of /democracy and the free world/, Ronald Reagan.

It was a grotesque spectacle that was staged by the actor Ronald Reagan at the OAS' house of mourning in Washington.

CIA, Cuba, C. A.

Havana JUVENTUD REBELDE in Spanish 30 Jul 82 p 4

[Commentary entitled "Understandable Concern," in "In the Open" column, by Miguel Enrique; words enclosed in slantlines printed in boldface]

[Text] The Yankee rulers, their paid hacks and spokesmen are touchingly devoted to a peace, understanding, and harmony that are never fully established in this ungrateful world.

Their "concern" regarding this surpasses limits unimaginable to even the most ingenuous.

Let's look at the heart of these U.S. anxieties, which are very /legitimate and understandable/.

Concerning Cuba, the modernization and strengthening of our armed forces alarms them "because the defense capability is improved, in the event of a conflict with the United States."

Sound foresight. As we prepare to greet them as they deserve, they have less of a chance of picking "the ripe fruit" (which certainly is becoming greener . . . or redder).

Whereas at the beginning of the Revolution, the Pentagon's experts counted on a few fingers the number of U.S. soldiers they would have to expect as casualties in the attempt, right now the estimate is enough to discourage anyone.

As we will see, it is natural for them to be concerned because the possibility of launching an attack recedes farther into the distance every day.

A similar thing is happening to them in Nicaragua, where the people are defending their revolution with an ardor and determination that the Pentagon's and CIA's wise men did not expect.

Several weeks after the beginning of the mercenary invasion from Honduras, the Somocist bands financed, armed, and trained by the United States have made little or no progress.

Needless to say, they expected that on their sepoys' first attack, the patriotic forces would cave in and the internal counterrevolution--also financed and supported by Washington--would be launched, with there being a possibility of recovery of power.

None of this has happened, and the imperialists are "concerned."

Now, according to their hack journalists, they are /disturbed/ by their henchmen's unquestionably bad luck; and, with the hypocrisy that is typical of them, they are trying to blame the victims for the volatility the situation is assuming.

The NEW YORK TIMES says that "official sources (the CIA and the Pentagon, needless to say) have evidence of intensification of clashes on the Honduran-Nicaraguan border."

The New York daily, choosing its words carefully, added, "The Honduran Government is beginning to become nervous."

Why is that? Recently, when the attack on Nicaragua was launched from his territory, Honduran President Roberto Suazo Cordova met with Mr Reagan at the White House, and judging from his statements, everything went very smoothly.

Apparently, "the thing backfired," as the classic joke goes.

Although "Playa Giron" is something of a bad word to the United States, it appears that the story is going to be repeated in Central America.

Another miscalculation by the imperialists and their acolytes. Their present "concern" is truly understandable.

9085

CSO: 3010/2195

U.S. 'COLONIALIST' POLICY FOR PUERTO RICO CRITICIZED

Historical Perspective

Havana GRANMA in Spanish 29 Jul 82 p 2

[Article by Oscar Ferrer: "Thirty Years Under the Banner of the 'Commonwealth'"]

[Text] There are events that are celebrated because they deserve to be hailed with solemnity, and there are those that are remembered only because they constitute a continuing reason for repudiation and rejection and because they offend the dignity and sensibilities of man.

Among the latter cases is the proclamation made 30 years ago--the 25th of July 1952--of the Commonwealth of Puerto Rico, an act by which Washington inaugurated a new strategy for imperialist exploitation by converting the sister Caribbean island into a new-type colony.

At that time--in the years following the Second World War, the old colonial powers, in a malicious juggling of words, identified their possessions with terms such as "overseas department" and overseas province, which was something more elegant and less embarrassing politically than the term colony, but definitely synonymous with it.

With the same objective of covering up reality, the United States thought up the term Commonwealth, originated as a new way of prolonging Yankee colonialism in Puerto Rico. With the creation of this neocolonial formula, the U.S. Congress retained its domination over the Puerto Rican nation.

The Commonwealth (ELA) thus became the "modernized" colonial political superstructure of the new economic infrastructure that was being built and which three decades later failed.

With the ELA, created by the Yankee imperialists to perpetuate their control over Puerto Rico, which originated with the invasion of 1898 and to avoid the obligations incurred as a signer of the United Nations Charter to inform the Secretary General on the situation of colonial territories, the colonial structure of the Caribbean island remained unchanged.

In 1950 President Harry S. Truman signed into law Bill 600, which authorized a referendum in Puerto Rico to decide whether or not a constitution was acceptable, within the limits of that law, and similar to those contained in the Jones Law of 1917, which imposed U.S. citizenship on Puerto Ricans and established a legislature whose acts were subject to annulment by the U.S. Congress or the veto of the U.S. President.

The basis for the establishment of the ELA was the Jones Law of 1917 and Bill 600 of 1950. The ELA originated, thus, from a constitution drawn up in Puerto Rico according to U.S. criteria and approved by the Congress of that country on 3 July 1952 after certain changes were made in the text.

On the 54th anniversary of the U.S. military invasion of Puerto Rico--25 July 1952--the Constitution of the Commonwealth of Puerto Rico was proclaimed.

The following year the U.S. won a narrow vote in the UN in which it was exempted from rendering reports on Puerto Rico as a territorial possession, a long-sought-for objective of Washington's.

With the Constitution of the ELA, in which "citizenship in the United States of America," was considered a determining factor in the life of the Puerto Rican people, and which provides in Section 1, Article 1 that political power in this Commonwealth "shall emanate from the people and will be exercised according to their will within the terms agreed on between the people of Puerto Rico and the people of the United States of America," Washington sought to cover up the colonial reality that Puerto Rico still suffered.

The deformed monstrosity of the ELA has kept the Puerto Ricans without their own citizenship for three decades, without the right to decide in matters of foreign policy, without authority over the defense of the island, and without prerogatives over the direction of their economy and their lives.

In such disadvantageous circumstances for the people of the island, Puerto Rico became a Yankee military base, a target range for the U.S. Navy in the Caribbean, an investment area for the U.S. transnational companies, and a source of cheap labor.

For 30 years the ELA has been the instrument used to destroy Puerto Rican nationality.

During the existence of the ELA one-third of the population of the island has been forced to emigrate to the United States because of unemployment and misery.

In the colony under the guise of the Commonwealth Washington directly controls foreign trade and trade between the island and the United States, dominates customs laws, maritime and air transport, wireless communications, labor laws, immigration and emigration, internal trade, and industrial investments.

The Puerto Rican economy has been brought to a condition of instability by the Yankees, and 40 years after the inauguration of a program to modernize the economy in the island, the unemployment rate is higher than in the United States and the entire Caribbean region, the cost of living is extremely high, and inflation is worse than in the United States. In addition, the wages paid to Puerto Ricans are generally less than half those received by Americans for equal work.

But that grotesque caricature that is the ELA has not succeeded in hiding the true status of Puerto Rico. Thus the UN has included the colonial case of the island "in the program of decolonization of the UN, in light of Resolution 1514..." since 1970.

Today, 30 years of colonialism under the mantle of the ELA the most reactionary forces in the United States and in Puerto Rico are trying to take advantage of the undeniable crisis of the Commonwealth not to put an end to colonialism in the island, but rather to crown their antinational and anticultural efforts with the annexation of Puerto Rico to the American nation as the 51st state of the union.

In the United States President Reagan himself has declared on more than one occasion in favor of the annexation of Puerto Rico, while in the island the colonial governor, Romero Barcelo increases his attacks on the present status prevailing under the ELA and proclaims the necessity of transforming Puerto Rico into a new state of the American federal system.

"Annexation," said Pedro Albizu Campos, "is the final triumph of colonialism, and it does not solve, but rather aggravates, the situation of a country dominated by the United States for 84 years and which deserves, like everyone else, the winning and the enjoyment of independence and self-determination."

Criticism at UN

Havana GRANMA in Spanish 29 Jul 82 p 7

[Text] United Nations, 28 July (PL)--The permanent representative to the UN, Ambassador Raul Roa Kouri, stated here today that the recent visit of the delegation of the Committee on Decolonization to Puerto Rico verified the colonial situation prevailing there.

The visit of the delegation came about through an invitation sent to that body of the UN by the Puerto Rican Committee to the UN on the occasion of the 10th anniversary of the first resolution on Puerto Rico adopted by the Committee on Decolonization in 1972.

Upon his return from the visit, Roa Kouri, who was chairman of the delegation, stated in an interview given PRENSA LATINA that they were able to verify that the broadest sectors of the political, cultural and social life in Puerto Rico considered that the present status of the island is colonial.

These sectors, he added, understand in addition that the legitimate forum for the discussion of the Puerto Rican colonial case is in the United Nations, both in the Special Committee on Decolonization and in the General Assembly.

During the visit, which lasted four days, Roa Kouri explained, we met with the president of the Attorneys Association, Luis Camacho, with the secretary of the Puerto Rican Socialist Party (PSP), Juan Mari Bras, and with several members of the Committee for the Development of a Constitution of the Attorneys Association, among them Juan Manuel Garcia Passalacqua, Marcos Rigan, and Severo Colberg.

He added that during their stay in the island there were discussions on the meeting of the Committee on Decolonization scheduled for next 2 August on the question of Puerto Rico.

He added that there was also an analysis of the prospects for discussing the case of Puerto Rico as a separate subject at the 37th ordinary session of the General Assembly, which will begin next September.

The delegation also met with Ruben Berrios, president of the Puerto Rican Independence Party (PIP), members of its Political Commission, among them Luis Nieves, secretary of the organization, and Fernando Martin, secretary of international relations.

The delegation also talked with former governor Roberto Sanchez, with whom they exchanged opinions on the present political situation in Puerto Rico, especially the adverse implications that recent economic decisions taken by the U.S. Government have for Puerto Rico.

We also exchanged impressions, Roa said, with the former governor on the international situation, among them the Israeli aggression in Lebanon and the question of El Salvador.

Roa Kouri announced that the former governor had confirmed he would send his special assistant this year to participate as a petitioner at the sessions of the Committee on Decolonization.

The Cuban ambassador said that he had also met with Ricardo Alegria, director of the Puerto Rican and Antilles Study Center, who will participate as a petitioner before the Committee on Decolonization and will present the proposal made by the U.S. Secretary of State to include for consideration at the general conference of UNESCO the request by Puerto Rico to be accepted as an associate member of that UN body.

The delegation held meetings with the governing junta of Pro-ELA [pro-Commonwealth], a group that belongs to the Autonomist Popular Party.

Roa Kouri, referring to the tenth anniversary of the adoption of the first resolution on Puerto Rico by the Committee on Decolonization, stressed that the various speakers had concurred in the necessity of a broad discussion of the colonial condition of Puerto Rico within the UN General Assembly.

We, said Roa Kouri, brought the message of the Committee of 24 and emphasized first the recognition of the Committee of the right of Puerto Rico to free self-determination and independence, in accordance with Resolution 1514 of the General Assembly.

We also explained, he added, the steps we are taking within the Committee on Decolonization and especially regarding the General Assembly by which we are attempting to have the subject of Puerto Rico entered separately on the agenda.

We could see, stated Roa Kouri, that public opinion in Puerto Rico was in favor of the preservation of the national identity, the culture, the unity as a nation, and the refusal to be part of the United States.

9015

CSO: 3010/2200

VARIOUS ASPECTS OF SOCIALIST LEGALITY DISCUSSED

Child Care

Havana TRIBUNA DE LA HABANA in Spanish 1 Aug 82 p 2

[Commentary by Dr Rene Gonzalez Mendoza]

[Text] In response to the interest of various readers, today we will deal with a subject that is often the cause of disputes between former spouses; we are referring to the right of their minor children to receive support payments from their parents.

According to our Family Code, support is understood to be everything that is indispensable to the satisfaction of the needs for their sustenance, housing and clothing, and in the case of minors, also the requirements for their education, recreation and development.

We should point out that there is an intimate link between the obligation to give support and the right to receive it and kinship. This means that minor children may always claim support from their parents, and so also may others with the right to receive it when, lacking financial resources, they are prevented from obtaining support for themselves due to age or incapacity.

Notwithstanding the existence of legal precepts which regulate this situation, there are sometimes doubts among some people with regard to the limits on the amounts of support payments usually fixed by the courts in divorce decrees, and the legal obligation of the parents to them.

With regard to this the Governing Council of the Supreme People's Tribunal recently approved a judgment on the limits of support payments, which we feel is of great interest.

The Supreme Tribunal states that on matters of claims for support, the only limit fixed by law is that which is established by the Family Code itself, when it designates that the amount of payment will be proportional to the financial ability of the payee and to the needs of the recipient.

This means that the courts must decide case by case, and when fixing the amount keep in mind the financial ability of the person paying and, logically, the true needs of the recipient.

On the other hand, the Family Code itself specifies in its articles that in no case may the resources of the individual obligated to pay be affected by this concept to such an extent that he cannot meet his own needs, those of his spouse and of his minor children.

If the person obligated to pay were not in agreement with the disposition on the matter of support in a divorce decree, he may address himself to the appropriate court in writing and put forth any arguments he may have so that it may, after studying the case, make the necessary adjustments, providing there is a basis for them.

In the old Civil Code the obligation to pay for support ended as soon as the child reached his majority; presently this is subject to working age, which in our society is 17.

Nevertheless, we wish to underscore that the Family Code does not establish this in a mechanical way, but rather the revolutionary lawmaker, aware of the importance of study for youngsters and for the future of the country, makes it a priority so that if, for example, the minor reaches working age and his having a regular paying job means he would have to abandon his studies, the obligation to make support payments is upheld.

This important legal body expresses it in this way when it takes up the issue in its rules, that the obligation to pay support shall cease when the payee, that is the minor, reaches working age and is neither incapacitated nor enrolled in a national teaching institution which would prevent him from devoting himself full time to paying work.

As can be observed, the law takes into account the possibility of making any modification in the amount of the support, adjusting it to correspond to new situations of a personal or societal nature which may arise.

NOTE: If you wish to find out about some aspect related to our socialist legality, write to TRIBUNA LA HABANA, Virtudes No 257, between Blanco and Aguila, Havana. Your letter will be answered. Thank you.

Housing Rights

Havana TRIBUNA DE LA HABANA in Spanish 8 Aug 82 p 2

[Commentary by Dr Rene Gonzalez Mendoza]

[Text] As in each new opportunity, we are at our readers' disposal to satisfy whatever interest they express in their correspondence; this gives us much pleasure.

Having said this, we are going to answer one of the letters that has arrived at our editorial office, and we will answer that sent by Carmen Gonzalez Turino, residing at Calle 66B No. 29F16, between 29F and 31, apartment 8, Playa municipality, Havana.

She tells us that she lives alone with her two only daughters by her marriage which was dissolved 5 years ago. The dwelling that they occupy is classified as an apartment, wherein they reside as usufructuaries.

She adds that before moving permanently to Havana, she lived with her mother in a small house in Reparto Punta Gorda in Cienfuegos, a dwelling which was in her mother's name. She points out that when her mother moved out of said dwelling, it was closed, and was placed at the disposal of the Housing Fund, and was later turned over to a new family unit.

Finally, she states in her letter that she would like clarification of the legal rights she may have to the dwelling that she permanently abandoned in Cienfuegos, and the rights that may belong to her in the dwelling she currently occupies together with her daughters.

Well, we are going to clarify for this reader her rights of occupancy in both dwellings.

In the first place, we must tell her that the legal rights of a person to a dwelling, just as they begin may also be ended or proscribed. That is to say, they are ended to your detriment according to the terms provided by the law.

With regard to the dwelling that you occupied in Cienfuegos, upon abandoning physical possession of said house in a voluntary, permanent and definitive fashion, and in changing your residence to Havana, it is evident that absolutely no right of occupancy in said dwelling pertains to you, since by virtue of legal disposition no one may be given rights of occupancy to two urban dwellings at once.

On the other hand, we should keep in mind that the dwelling that you were occupying in Cienfuegos was absorbed by the Common Housing Fund, and turned over to another family unit on becoming unoccupied, thereby ending the rights that you had over it, in the same way as were ended those that may have pertained to the title holder, who as you confirm also abandoned said house.

In this case, on delivering the cited dwelling to another family unit, our Revolutionary State acted with a deep sense of justice, and is also expressing in a specific way the social nature of housing in our society.

With regard to the dwelling that you occupy at this time, you do not specify for us if this was occupied jointly by you and your former husband, that is, if you appear included in the precontract authorized by the Department of Housing Control. This being the case, it is unquestionable that you have the right of occupancy in the referred to dwelling, by the concept of being the principal legal co-occupant, together with your former husband. If not, then you do not.

Notwithstanding, we should clarify that the children of the marriage are cohabitants, and therefore, legal occupants of said dwelling, by virtue of being direct descendants, that is children of the legal and principal occupant

of the dwelling, and are thereby protected by the second paragraph of Resolution RU-16 of 25 June 1973, issued by the Ministry of Justice.

NOTE: If you wish to find out about some aspect related to our socialist legality, write to TRIBUNA LA HABANA Newspaper, Virtudes No. 257, between Aguila and Blanco, Havana. Your letter will be answered.

9730

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U.S. SPACE SHUTTLE PROGRAM SEEN AS BELLICOSE

Military Plans

Havana GRANMA in Spanish 31 Jul 82 p 2

[Article by Roberto Alvarez Quinones]

[Text] For some time now, world public opinion, a large part of the media, and some well known personalities have been speaking out against the fact that Washington is using space for military purposes and for espionage, and that it is preparing to militarize the cosmos and to carry its insane arms race into that part of space which surrounds the earth.

Such evil intentions, although obvious, have been denied by the Yankee leaders. But the Reagan administration has just confirmed that all these reports were quite well founded. Recently the U.S. Air Force Chief of Staff, Lew Allen, officially announced the creation of a Supreme Command for Military Actions in Space, to consist of 200 officers. It will begin to function on 1 September of this year.

This Pentagon official said that the leader of this Supreme Command will coordinate "all of the United States' military activities in space." He added that the use of satellites for "military conflicts is of vital importance" for the United States.

Allen reported that this command will be held by Gen James Hartinger, presently commander in chief of NORAD, based at Colorado Springs.

As if to emphasize the offensive, provocative, and anti-Soviet nature of this new command, Allen said that "its chief will be the person who will receive the orders to unleash a U.S. attack against Soviet satellites in case of war."

Actually, if we didn't know the imperialistic and expansionist objectives of these Yankee plans and of some U.S. leaders such as Mr Allen, we might think they had been watching too many movies like "Star Wars" and others of its genre.

Mr Allen himself also announced the creation of a military space technology center to be located in early 1987 at Kirtland Base in New Mexico. It will be in charge of three laboratories specializing in the development of new weapons, particularly killer satellites.

While the U.S. Air Force Chief of Staff was openly announcing the U.S. intentions to militarize the cosmos, some of the U.S. press also revealed that the Air Force hopes to have by 1987 an MHV antisatellite missile, which will be launched from an F-15 fighter at an altitude of 20 to 30 kilometers, against a satellite; it will use laser beams.

It has also been learned that a number of military groups, at the request of the Yankee government, are working to develop an antisatellite weapon that can be carried into space by ICBMs of the Minuteman type.

On 27 June, just 5 days after Allen's remarks--all this was very carefully orchestrated--the space shuttle Columbia was launched from Cape Kennedy, carrying two astronauts on board. It has already been openly stated that this spaceship was carrying a mission for the Pentagon.

The Shuttle, which can be used repeatedly, forms the backbone of the U.S. plans to militarize space. These plans are thus dependent on this Space Shuttle program.

By using spaceships such as the Columbia and others to be built later, Washington plans to set up in space platforms with anti-satellite weapons using laser beams and missiles, to lay anti-satellite mines, and to set up large aggressive antimissile systems. Some thought is also being given to using the Shuttle as a space bomber, which would carry nuclear bombs.

Through the use of this type of spaceship, the U.S. imperialists plan to establish, within the next 10 years, military orbital stations with a crew of 10 to 14 men who, among other duties, will track "enemy objects" with radar, both in space and on the earth, and who will also collect and process "secret information."

The Shuttle program, which will go on until 1994, calls for half of the payloads to have military purposes, thus transferring the "Star Wars" scenario from Hollywood to the Pentagon. Concerning the cost, just the development of the laser beam weapons alone will cost between \$50 and \$60 billion.

In Columbia's latest flight, which spent 7 days in orbit, the Pentagon did not conceal the fact that the spaceship was carrying a military payload with the code name of 82-1. For this payload, according to AVIATION WEEK AND SPACE TECHNOLOGY, the astronauts Thomas Mattingly and Henry Hartsfield took along sensing equipment using infrared rays, an infrared light telescope, and a "space sextant," which, once they have been successfully tested, will be placed on satellites.

In general, the Yankee plans to militarize the cosmos have advanced to such an extent that theoretical support is now being offered, based on the saying that "the country that controls space will have control of the new era," as one of the directors of these special programs told the CHICAGO TRIBUNE in an interview.

The heart of the Yankee imperialist philosophy of militarizing space is that "the battle for space" is one of the principal means of achieving military superiority over the USSR. A similar view now prevails in top government circles and in the Pentagon.

Talk is also heard of the "high frontier," a new military concept. The former head of the Pentagon's intelligence department, Daniel Graham, a dangerous fan of a "Star Wars" sort of scenario, headed a group financed by the ultrareactionary Heritage Foundation, which is working on the fascist theory of this "high frontier." In essence, this is a plan to destroy detente forever and to extend to space the Yankee imperialist strategy of world domination.

Of course, following the tactical tradition of shouting "thief!" in order to remain free from suspicion and to be able to commit their misdeeds, the Yankee imperialists have invented the strangest calumnies about the "Soviet space threat," etc. These lies are manipulated by the CIA and by the reactionary press in a thousand ways, and are even used in the movies. It is not an accident that in the film "Star Wars," the uniform worn by the "imperial enemies" of the heroes, at first glance resembles the uniform of the Soviet Armed Forces. This anti-Soviet psychological warfare in the United States is taken even as far as these apparently "trivial" details or "matters of chance."

The conscience of the world and all the peoples of the planet oppose and condemn the diabolical plans of the U.S. imperialists to militarize space. This is a very serious crime offending the sensitivities of all humanity.

Further Developments

Havana VERDE OLIVO in Spanish 5 Aug 82 pp 19-21

[Article by Juana Carrasco]

[Text] "The country with military superiority in space can set its own conditions," said Lt Gen (R) Daniel Graham, former head of the Pentagon's intelligence division, thus defining the objectives of the United States in space.

The military character has prevailed in the most recent space flights conducted by those who consider "the battle for space" as one way of achieving a strategic advantage over the USSR. This U.S. vision of space was made clear in the words of President Reagan on 5 July of this year, when he greeted the fourth flight of the Columbia Space Shuttle upon its return to Edwards Air Force Base in California.

Reagan openly stated there that his administration will prepare for war in space and will thus put in practice the recommendations contained in a study by the Heritage Foundation, one of the most reactionary think tanks in the United States.

Lt Gen Graham himself headed the group financed by the Heritage Foundation, with the objective of propagating this "new national strategy," called the "high frontier." In fact, this is an attempt to expand military operations to space, as it recommended to Reagan.

According to AVIATION WEEK AND SPACE TECHNOLOGY in March of this year, the report submitted to the president recommends that the United States place in orbit a system of "killer satellites" armed with laser beams that could attack other satellites, countries, or tankers in order to disrupt oil supplies.

Also in March, Robert Cooper, the director of research on advanced projects at the Pentagon, expressed his satisfaction with the \$150 million in funding which Congress had allocated for the development of laser weapons, and said that for 1983-1985, the budget for this purpose will reach \$1 billion. Since 1960, the United States has invested \$1.6 billion in this criminal project.

So the bellicose resident of the White House, speaking at Edwards, only emphasized the fundamental objectives of the space program: "to strengthen the security of the United States" was the formula used by Reagan to carry war out to the "high frontier." In summary, Ronald Reagan, with these words, gave his approval to a policy that has already been in use for a fair amount of time.

This fourth flight of the Columbia was devoted almost entirely to Pentagon research and experiments. The secret payload, named conventionally DOD-82-1, and duties of a military nature, formed a very specific step taken toward carrying out the vast Yankee program to militarize space.

All this coincides with the establishment of a space command and a SPACECOM [Joint Space Operations Center], which will begin to function on 1 September 1982 at Peterson Base in Colorado. By 1985 this center will be ready (at a cost of \$400 million) to coordinate U.S. military activities in space, to prepare and conduct strategic programs and tactical missions for a future war in space. It will be subordinated to NASA, which was established in 1958 with a supposedly civilian nature, but which since that time has spent a fourth of its annual budget on military purposes.

The SPACECOM will change the structure of the armed forces in the United States; it will form part of the five joint regional commands and the three special commands which are intended to exercise operational command of preparations and the use of specific groups of the U.S. armed forces in war, in perfect conformity with the global military policy and doctrine of the Pentagon.

Just a few years ago, the then assistant secretary of the Air Force, Hans Mark, said: "The development of technology requires organizational changes." In this regard AVIATION WEEK (no 17, 1978) stated: "The United States Air Force was established 30 years ago. New technology required the creation of a new type of force. Something similar may again happen when the Space Shuttle becomes operational."

This "prophecy" has come true. Until now the operation of space systems for military purposes has been conducted by the Aerospace Defense Command. Starting in September it will be in the hands of the SPACECOM, which was established at the direct orders of President Reagan, and already the orders of

the head of the Pentagon, Caspar Weinberger, to design prototypes of military space systems in order to "prepare for the deployment of these systems if their use is in the interests of the United States" are being carried out.

The exact nature of the first military mission of the Columbia was not revealed; nonetheless, some industry journals have given some information: there is an infrared telescope, called the "Cirris," designed to detect enemy missiles or planes from space, a space sextant that will be used to detect other space vehicles without being dependent on ground control stations, and an ultraviolet ray sensor.

Might there be something else in the secret compartment of the Columbia?

For the time being, only the Pentagon specialists and the astronauts Mattingly and Hartsfield know for sure. The astronauts were ordered not to transmit to earth any television image of this equipment during testing. Even the data supplied by the instruments and the astronauts on the military experiments were not to be sent to Houston, headquarters of NASA's civilian control center, but rather to Sunnyvale, California, where the astronauts spoke with PAYCOM, an anonymous military operator who gave them the necessary instructions for activating the Pentagon payload.

Even though it is said that this was the Columbia's military flight, it is known that in the three earlier missions, some highly advanced military technology was also tested, equipment for the destruction of targets located either in space or on the earth, through intermediate satellites equipped with laser beams.

There will be four flight models of the shuttle: the Columbia, the Challenger, the Discovery, and the Atlantic. And 23 percent of these launches will be done in accordance with the interests and requirements of the Defense Department. In addition, the Pentagon has reserved for itself the right to increase at any time the number of orbital flights conducted for its interests.

The area of military applications for these vehicles is quite extensive: they can place in orbit satellites intended for military purposes, test them and repair them in space, and if necessary, bring them back to earth. Preference will be given to photographic reconnaissance satellites, satellites used to observe the oceans and satellites with highly sensitive infrared

sensors for spy laboratories, for detecting the launch of ICBMs, cruise missiles, and aircraft flying at low altitudes, which can not be detected from the earth.

Of course, they are also studying the problems of taking a variety of weapon systems into space, particularly placing in orbit platforms for testing new types of weapons: powerful laser facilities, ion guns and nuclear particle accelerators which can make the hypothetical enemy's equipment unusable or destroy the satellites themselves. In addition, large communications or location antennas could be installed on such platforms, along with large telescopes to maintain a constant monitoring of the possible enemy's territory.

Last summer in California the United States tested a laser mounted on a plane. Its mission was to destroy a Sidewinder missile travelling at 3,500 km per hour. At that time, the mission failed. However, they hope to make this system operational against targets in space within 10 years. They are also studying a "destructive ray" that would use electrons, protons, and neutrons, which could penetrate its target and destroy its internal mechanism.

It is hard to evaluate accurately all aspects of the military applications of these vehicles and their payloads, but the U.S. press has said that in 10 years such applications will pay back the costs of their development.

Space projects occupy the center of attention of the reactionary political leadership of the United States, of its military system, and of the large monopolistic interests. We need only say that by the beginning of 1980 the United States had spent over \$100 billion on such programs, and over half a million scientists, engineers, technicians, and workers are directly employed by the aerospace industry.

They operate in accordance with a concept expressed by a large number of military and civilian officials and in countless reports and documents, but which BUSINESS WEEK stated very clearly a few years ago: "Whoever can take control of space--the principal arena of a future war--will be able to change decisively the balance of power, which would amount to establishing control over the world."

Ever since the first U.S. space launch in 1958, nearly 57 percent of all American space flights have been conducted by the Pentagon, and 44 percent have had solely military purposes.

These statistics, events, and statements tell us a great deal about the role which the United States has given to space. Far from developing space exploration so that it can fulfill its important role in the scientific-technical revolution and so that it may mark a new phase in relations between people and nature, in order to help solve the most pressing problems facing the world economy and humanity's progress, the U.S. space policy is designed to open up dangerous prospects for humanity, and to ensure that space orbits may be the setting for military conflicts.

The imperialists view the "high frontier" in terms of its military potential. This expansionist character is another violation committed by the Pentagon and the U.S. military-industrial complex against international pledges to use space for peaceful purposes.

Of course, the United States justifies its plans, providing arguments and excuses for them. It brings in the supposed "Soviet military threat" again in this case. Early in 1982, the undersecretary of defense, Richard Delauer, made some rather alarmist statements:

"We believe that the Soviets will have a military orbital station manned by astronauts by approximately 1990, which will be capable of attacking earth and sea targets."

These statements were supposed to be secret, but because of a "mistake" made by Rep. Ken Kramer (by coincidence, a Republican from Colorado, the state where the space command will be located), these comments were leaked and the ARMY TIMES, in its 8 March 1982 issue, published them. This revelation helped to strengthen the Pentagon's requests for resources enabling it to accelerate its space program.

Other similar statements have been leaked to the press. Quite recently General H.D. Davis, commander in chief of the Strategic Air Command, told Congress: "If the Soviets manage to achieve military superiority in space, they will have a decisive advantage in case of war." At the same time, in February 1982, the Joint Staff said that the USSR is reaching "the capability of destroying U.S. satellites in orbit at a high altitude."

Real / is quite different. Only the United States is intent on turning space into a military theater of operations -- if we have dominion over the earth. The Soviet Union is proposing a reasonable alternative to this "Star Wars" which Washington wants to start: international cooperation in the exploration and use of space for peaceful purposes.

The extensive Soviet "Intercosmos" program is quite consistent with this policy. This program has taken into space nine cosmonauts from nine different countries (Czechoslovakia, Poland, Bulgaria, Romania, the German Democratic Republic, Hungary, Cuba, Vietnam, and France). This is more than enough proof of the peaceful intentions of the Soviet Union. But if some doubts might still persist, more proof is available.

When the USSR launched the first artificial satellite from earth in 1957, it proposed to the world a ban on all forms of military uses of space. To the Soviet initiative we owe the normative treaty on activities of nations in exploring and using outer space, including the moon and other celestial bodies (signed in 1967); the U.N. agreement on the moon (1979); and the signing in 1977 of the agreement on the prohibition against environmental modifications for military or other hostile purposes.

In 1981 the Soviet Union presented to the United Nations a draft treaty in which the states would pledge not to place in earth orbit any devices with arms of any type, not to place any type of weapons on celestial bodies, and not to install them in any other way, including on manned spacecraft for repeated use, such as the Shuttle. The United States and its closest allies abstained from voting on a resolution which pointed out the need to adopt such a treaty.

This again lays bare the true interests and plans of the United States in space: war on the "high frontier" in order to guarantee its domination and exploitation of the world.

7679

CNO: 3010/2205

U.S. SENATE SYMMS RESOLUTION CONDEMNED

Havana GRANMA in Spanish 12 Aug 82 p 6

[Text] Washington, 11 August (PL)--The U.S. Senate today approved a resolution favoring the use of "all methods" within reach of the United States, including the sending of troops, to counter an alleged Cuban threat on the continent.

In a vote of 69 in favor and 27 against, the Senate, which has a Republican majority, approved the aforementioned resolution, which has the effect of a Congressional opinion and therefore lacks the force of law, it was reported here. The text states that the United States is determined to "prevent Cuba from creating or using a military capability supported from outside its borders which might endanger U.S. security."

It maintains that the United States will act in conjunction with the Organization of American States (OAS) and with what it calls "freedom-loving Cubans" to contribute--it adds--to the "self-determination of the people of Cuba." It also implies that Washington is determined to use any means necessary (including the use of troops) to prevent any alleged Cuban attack in the Western Hemisphere.

The aggressive resolution was rejected by the chairman of the Foreign Relations Committee, Republican Senator Charles Percy, who tried to override the proposal presented by his colleague from Idaho, Steven Symms, saying that its content suggests to the President of the United States that he can use troops of the U.S. armed forces without prior consultation with the Congress.

A counterproposal introduced by Percy in opposition to that of Symms was defeated by a vote of 47 to 47.

Shortly thereafter, the Senate approved another motion in which it was made clear that its previous agreement "does not constitute statutory authorization for the introduction of U.S. Armed Forces as contemplated in the powers of war resolution" of 1973, which requires that the president have congressional approval for the use of troops for more than 60 days.

4/13

1982 1982/2197

HAVANA QUOTES 'NEW YORK TIMES' ON POVERTY IN UNITED STATES

Havana TRABAJADORES in Spanish 28 Jul 82 p 6

[Text] Montreal (PL)--Fourteen percent of the people of the United States, that is, 1 out of every 7 Americans, lives below the so-called "poverty line," according to the Census Office in Washington.

The percentage of those who are poor has risen from 11 percent to 14 percent since President Reagan's arrival in the White House and the implementation of his economic policy.

As THE NEW YORK TIMES points out in an editorial today, 2 years ago, 1 out of every 9 Americans had an income below the "poverty line," while at present the ratio is "1 out of every 7," and among children, 1 out of every 5.

In 1982, according to statistics, another 4 million U.S. citizens entered "the ranks of those classified officially as poor," the newspaper added.

In 1981 alone, more than 2.2 million Americans saw their incomes drop below the "poverty line" because a series of programs still in effect and devoted to relieving this situation were reduced or erased from the national budget by President Reagan.

"Millions of low-income Americans are finding their purchasing power reduced as a result of economic paralysis, inflation and cuts in federal assistance," the paper states.

In addition, poverty is also affecting sectors of the population formerly considered "safe." However, the first to be affected by poverty are the minorities (blacks and Latins) and the elderly.

In 1981 the poverty rate among persons over 65 years of age was 15.3 percent. The rate among children between 3 and 13 years of age is 22 percent, while among families where the mother is the head of the household it is calculated at 35.2 percent.

THE NEW YORK TIMES says in its editorial that "there are more poor people and more poor people who are becoming even poorer," and adds that the census does not adequately reflect the number of cases, but some "are workers who earn only the minimum wage, which has not been adjusted to inflation for the last 18 months."

Criticizing the economic policies of Reagan, who is dubbed "the president of the wealthy" in many political and social circles, the TIMES says that "some of the 'new' poor are workers who are losing supplementary social benefits. Others are unemployed, of whom there are at present 10.4 million, one-third more than in 1981."

8735

CSO: 3010/2197

ID LEGISLATOR RAUL BACA DISCUSSES PLITICIAL ISSUES

Quito EL COMERCIO in Spanish 23 Aug 82 p A-2

[Interview with legislator Raul Baca Carbo on various political questions, by EL COMERCIO; date and place not given]

[Text] Personal and partisan perspectives, the political option of the Democratic Left [ID], the supposed rivalry with Rodrigo Borja, the possibilities for 1984, potential electoral alliances, forms of socialism, international ties and the work of Congress are subjects dealt with directly and frankly, without evading any answer, by Raul Baca Carbo in an interview with which EL COMERCIO is beginning a series which will include the principal protagonists of national politics, devoting a weekly section whose aim is to promote greater knowledge of Ecuadorian reality through the vision of its most outstanding leaders.

In his short but intense political life, Raul Baca has been mayor of Guayaquil, governor of Guayas, candidate for the vice presidency of the republic, director of the ID, national legislator and chairman of the House of Representatives.

Moreover, he is mentioned as a potential candidate for the presidency of the Republic. And he does not deny that possibility....

[Question] Engineer Baca, why has the reference of "ostrich" been used so much to describe the ID?

[Answer] It is a direct consequence of traditional political plans which, however, could not be carried out. To be specific, political agreements and pacts, of any kind, are still treated as an accepted custom. When a party, like the ID, refuses to follow that custom and tries to have its plans and actions always remain faithful to ideological criteria, it goes against the grain of those who think that our opposition is a game and want to use political caricature as a weapon to fight the ID.

[Question] But, at times, you and your followers detach yourselves from everything and stick your head in the ground....

[Answer] The ID always holds its head very high. It never lowers it. And that is what has enabled it to grow, for, in the last analysis, the people want new attitudes which reflect new thoughts.

[Question] Even if those thoughts and attitudes are not very programmatic?

[Answer] It could be said that there is a lack of political pragmatism in the supposition that the important thing for a party is to assume positions of control, even if it would do so more rapidly than necessary to maintain its ideology on a popular basis.

[Question] You, Engineer Baca, defend the ID attitudes on the basis of ideological considerations. However, general opinion attributes them rather to the beliefs that the party is moving in accordance with the presidential aspirations of Rodrigo Borja.

[Answer] It is not true that the ID is moving in accordance with the aspirations of Rodrigo Borja. This is an accusation frequently used to disparage our party.

[Question] Like that of the Baca-Borja rivalry?

[Answer] Precisely. Both accusation are false and without foundation. This could be confirmed by recalling that in the ID the board of directors and slates of candidates emerge from the party's responsible organizations, not from the criteria or legitimate aspirations of any single individual. In any case, I must point out that the plans of Dr Rodrigo Borja follow a very clear concept of what should be honest political behavior.

[Question] Nevertheless, it is clear that Dr Borja aspires to the presidency of the republic. Is that also your aspiration?

[Answer] Political leaders molded by the ID gradually assume, with the support of the people and their militants, characteristics of national scope which permit--not only us two but other affiliates--to be aspirants to the party's and country's highest offices. In view of this, there will always be differences of opinion among the militancy which, in the worst case, can lead to the presentation of several candidates within the party so that, in the end, all will support whoever is worthy.

[Question] But, at present, there are only two party leaders. Or is this not so?

[Answer] At present, in accordance with the different currents of opinion within the party, there is basically the presence of Rodrigo Borja and that of Raul Baca Carbo as the most serious aspirants to the nomination.

[Question] Then you do aspire to the presidency of the republic?

[Answer] I am a presidential aspirant to the extent that the members of the party think I am, not I.

[Question] What about the possibility of repeating the Borja-Baca pair of names of 1978?

[Answer] In the party's discussion and analyses, that possibility must be taken into consideration, and also others. But that analysis will have to be made with much pragmatic understanding?

[Question] In speaking of pragmatism, do you mean a possible electoral alliance?

[Answer] I see no reason to discount the possibility of an electoral alliance in 1984. But there is still time before the elections.

[Question] It is not unreasonable to anticipate the possible turn of events: With what parties could there be an electoral alliance by the ID?

[Answer] There are progressive parties with which we have things in common. But consideration of an alliance would have to be given by the party's directors, taking into account not only the ideological declarations but also the behavior of those parties during the constitutional period.

[Question] In speaking of progressiveness, are you speaking of the Center Left?

[Answer] Undoubtedly.

[Question] Let us then review the parties of the Center Left: The Popular Democracy Party [DP]?

[Answer] The DP has its own aspirations and characteristics, which, with regard to electoral alliances, differ greatly from those of the ID.

[Question] The Democratic Party [PD]?

[Answer] The PD offers very clear plans in favor of economic sectors which the ID is vigorously combating, and unless actions and positions taken by that party in the time remaining before the elections place it in agreement with the principles it claims to be defending, I believe, again in this case, that an alliance will not be feasible, since we would continue to have more differences than similarities between our parties.

[Question] Perhaps the FRA [Alfarist Radical Front], CFP [Concentration of Popular Forces] or PCD [Democratic Communist Party]?

[Answer] The FRA, CFP and PCD are natural allies of the ID and are parties which will be mentioned with regard to possible understandings.

[Question] And the possibility of forming, as in other countries, a "popular front" between social democrats and communists?

[Answer] In defining its socialism, the ID has placed considerable emphasis on the great differences which exist between its democratic socialism and any political form of Marxist parties. The point is that the differences between democratic socialism and Marxist socialism are basic: freedom, which we

consider essential; the absence of dogmas, for we do not believe in absolute truths; and a continuous search for social justice, for we believe that democracy is a system which is always capable of being improved.

[Question] Nevertheless, at present, that type of alliance has been made in a number of countries...

[Answer] The differences between our parties are sufficient to make permanent political agreements difficult, although it must be recognized that, within Marxist leftist parties, many militants are struggling to correct injustice, coinciding in this aspect with the unchanging attitudes of the ID. However, Marxist principles differ greatly from ours.

[Question] With regard to the Socialist International, does the organization merely give you advice or is there also some form of dependence?

[Answer] Neither. For example, I can tell you that meetings of the Socialist International in Latin America are devoted to analyses of international politics and the democratic behavior of various countries. The aim is to strengthen the ties of the member parties to exchange timely information on the multiple problems of international politics. Thus, the meetings serve as a forum which make it possible to update our knowledge.

[Question] But does the organization give you any financing?

[Answer] On the contrary, we pay a small annual fee which covers the timely issuance of documentation.

[Question] Very well. Let us turn to the Congress. Were your 2 years as chairman positive or negative?

[Answer] The best analysis of any subject is that made by the citizenry, and the worst is that made by the individual himself.

[Question] Even so, what do you think?

[Answer] In my administration I emphasize three very different aspects. First, what is involved in the legislative function. I believe that, in this connection, my 2 years in the National House of Representatives helped overcome the deterioration in relations among the state functions, known as "conflict of powers"; I believe that this aspect was very positive. Secondly, that relating to the issuance of legal norms; here I believe that the people's expectations far exceeded the performance of the House, since, what the people wanted--and still want--is a social change, which obviously did not occur; thus, in this aspect, the National House of Representatives did not live up to the people's hopes. The third aspect has to do with the need to place the House of Representatives in condition to do a more effective job in the future; important steps were taken in this regard, such as the compilation of 20 years of legislation in Ecuador.

[Question] And the final result?

[Answer] Personally, the fundamental reason for my remaining in politics being the improvement of the conditions of the Ecuadorean citizen, I believe that, in Congress, what is left undone far outweighs what is accomplished. However, despite this, the efforts made were very great and very honest.

[Question] And, naturally, they earned you political income?

[Answer] I believe that the political balance is positive, for I never lost sight of the ideological definition which was always present in my deeds in National House of Representatives.

[Question] It would appear that, after twice being chairman in Congress, your only political option may be the presidency of the republic.

[Answer] Not necessarily. In carrying out the duties of chairman of the National House of Representatives, a vision is required which, at times, rises above political parties and which is in direct keeping with personal awareness of what is best for the nation.

[Question] Is there a still better reason?

[Answer] No, for the mechanisms which make a man a good candidate for the presidency of the republic are much more complex and varied. I do not believe that a single individual, in this case the chairman of the House, should cherish ambitions which can only be the result of party decisions.

[Question] In any case, the one does not discount the other.

[Answer] No, but that does not depend on me....

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608 0110/1238

INDUSTRIAL EXPORTS DECLINE IN FIRST HALF OF 1982

Quito EL COMERCIO in Spanish 20 Aug 82 p A-7

[Text] The export of industrial products, which, as a whole, represent 20.1 percent of the total exports until June of this year, experienced a decline compared with the same period of 1981. Income in this connection, so far this year, was \$277 million, while in the previous year it was \$221 million.

The latest information from the Ministry of Industries, Commerce and Integration shows that this decline was in keeping with a 100 percent decline in the sale of sugar and molasses, a 49.3 percent drop in the sale of cocoa products, 24.4 percent in the sale of petroleum derivatives, a 5.3 percent drop in home appliances, 20 percent in the sale of hats and 14.4 percent in the sale of instant coffee.

Only the export of chemicals, drugs and seafood showed an increase of about 28.6 percent and 3.3 percent, respectively, for the period of January through June 1981, according to the document.

It adds that, in view of the need to stimulate sales abroad of traditional and nontraditional products, the government adopted a series of measures which gave favorable results to some extent. For example, the document says, measures were taken aimed at providing more favorable terms for export credits granted by the Central Bank of Ecuador through unique operations of benefit to firms which agree to this line of credit to obtain operating capital.

The National Financing Corporation (CFN), in turn, through operations conducted by the Export Promotion Fund (FOPEX), also provided low interest rates for financing exports, granting credit for 80 percent of the value exported with payback periods of up to 360 days.

According to our information, the incentive of tax credit granted for the export of nontraditional products has continued to benefit export firms. A total of 84 new companies have been benefited during the period covered by this report; this is in addition to all those for which the percentage of the national overall value has already been determined.

ACES DENOUNCES LAND REFORM, URGES CHANGES

San Salvador EL MUNDO in Spanish 27 Jul 82 p 1

[Text] At a working session held today at the Coffee Growers Association of El Salvador [ACES], the governing board of this group explained to the first vice president of the republic, Raul Molina Martinez, the urgent need to resolve the problems of national coffee growing through the enactment of a provisional law for the defense of coffee, the draft of which they handed over to him.

Dr Ricardo Alfaro Sandoval, on making a diagnosis of the coffee growing problem, told Molina Martinez that ACES has been telling the government the same thing that they would explain to him today and that the government either does not understand or has not wanted to understand the critical situation of the coffee growers. Alfaro Sandoval pointed out that the governing board of ACES thinks that nothing has been done to restore the action of private enterprise and that the government has taken an attitude that identifies it as continuing the policy of the previous regime. "We observe with deep concern," added Alfaro Sandoval, "that the reforms which are stopping private participation in the development of production are continued to be carried out by this government, because even in the districts property titles are being handed over in greater profusion to the beneficiaries of the agrarian reform. All of this stops the development promoted by private enterprise."

Emphasizing that the solutions to the problems of the coffee growing sector cannot be delayed any longer, because to the present difficulties are being added others which are worsening the deterioration of the economy, Alfaro Sandoval told Molina Martinez that the coffee growers association is not opposed to the reforms, provided that they are carried out based on a condition of right and justice, as much for the persons affected as for the beneficiaries. "The only thing that we want is that within these reforms justice is done," Alfaro Sandoval said. "The coffee growers association wants the problems of the nation to be resolved, but with justice enterprise participation. Development must be channeled toward the right places," he added.

Alfaro Sandoval pointed out to Molina Martinez that one of the problems of the coffee growing sector that requires an immediate solution is that of surpluses, which in September of this year will reach 1,200,000 sacks and which are restraining the development of El Salvador's productivity. He explained that the

lack of technical knowledge on the part of the council of governors of INCAFE [The National Coffee Institute] is at fault in large part for the problems in coffee growing and that INCAFE should be reorganized with persons who really know about coffee growing, Alfaro Sandoval pointed out and thanked the Ministry of Foreign Trade for their cooperation in organizing a forum to discuss the coffee growing problems; but, he stated, this is not enough if adequate laws are lacking along with good proposals to resolve these problems.

Dr Alfaro Sandoval as well as other leaders of ACES told Molina Martinez that the draft, a copy of which they handed over to him, establishes a statement of public profit from coffee production; that the monetary board should consider minimizing the interest rates for coffee growers; that [they should receive] special treatment of the National Bank; [that there should be] modernization of the tax based on real evaluations of coffee production; that the grower should be guaranteed a minimum average price; [that there should be] and eradication of the absurd situation that they are paying taxes on losses, etc.

9545

CSO: 3010/2171

ISTA COMPRISES 12 NEW LAND COOPERATIVES

San Salvador (LA PRENSA GRATIA in Spanish) 27 Jul 82 p 3, 11

1400] According to new cooperatives of the reformed sector were legalized in writing at the Salvadoran Institute of Agrarian Transformation (ISTA). They include about 11,000 hectares of land and will help almost 10,000 peasants and will work them.

Attending the event were the presidents of the new cooperatives, the president of ISTA, Dr. Mario Arturo Argueta and the president of the national constituent assembly, Major Gerardo D'Aubuisson. The ceremony was considered historic and of great significance, because the notarization, as it was stated, is a demonstration of the energy with which ISTA's new leaders have been working "scarcely 2 months after having taken possession."

It was emphasized that in the previous administrations of ISTA, in approximately a and a half years, barely six cooperatives were formally registered, while the new ISTA authorities, in only 60 days, have already registered 12 cooperatives, property expropriated from persons who were previously paid, and that therefore "this is an example that the agrarian reform will have to be carried out fairly, as much for the damaged parties as for those who benefit."

The 12 new cooperatives, which are former private ranches, are: El Jabali in San Juan, with 315 hectares; San Lorenzo in the El Jicaro canton of San Mateo, La Libertad, with 795 hectares; San Jose Belira in the Las Isletas canton of San Pedro Sula, with 906 hectares; San Luis Tawil in the El Presidio canton of Acajutla, Sonsonate, with 309 hectares; El Carmen, with 113 hectares, in the Victoria, with 165 hectares, both in the El Zapote canton of Chalco, district of Sonsonate; Palo Verde in the Chiquihuital canton of Sonsonate, with 1,000 hectares; Santa Rita in San Luis Talpa, La Paz, with 3,800 hectares; El Juncal in Sonsonate, with 1,902 hectares; San Raymundo in the Llano de Santa Rita canton in Ahuachapán, with 716 hectares; Nahuallapa in the El Juncal canton of Ahuachapán, with 476 hectares and Santa Rita y San Juan in the Ahuachapán, Sonsonate, La Paz, with 1,000 hectares.

Referring to the agrarian reform in general, Major D'Aubuisson said that this measure was with or less the feeling of a whole nation, which at the decisive moment had the steadfast support of the armed forces and that, in view of agriculture's great importance in El Salvador, this reform is the fundamental

pillar of the Salvadoran economy and as such the land whose legalization in writing took place yesterday should be cultivated.

Finally Major D'Aubuisson emphasized that the agrarian movement does not deserve to be politicized, because it is a part of the government of national unity and that this process must go forward without allowing anyone to interfere in its path, because its success represents the well-being of many thousands of Salvadorans.

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CSO: 3010/2171

MINISTER YUDICE ON MAG'S REORGANIZATION PLAN, OTHER ISSUES

San Salvador EL MUNDO in Spanish 29 Jul 82 p 2

[Text] Miguel Muyshondt Yudice, the minister of agriculture and livestock [MAG], reported yesterday that he has delivered to the president of the republic, Dr Alvaro Magana, a document with observations and recommendations for an immediate reorganization of MAG, after having made a study of the technical and administrative structure of MAG.

During a press conference Muyshondt Yudice assured that the document will also be sent to the president of the constituent assembly so that MAG's organic structure will be in accordance with the plans and programs of the government of national unity. On answering questions from journalists, Muyshondt Yudice said that "during the diagnosis, defects were detected in the structure of MAG's hierarchic leadership and that there is no real communication at the intermediate level. This whole negative situation must be eradicated so that our work offensive will not come against obstacles of any kind," he added.

On stating that MAG is engaged in promoting the productivity and profitability of the cooperative associations of the reformed sector, Muyshondt Yudice congratulated the 12 cooperatives that have received their title deeds. He also mentioned that MINATA is carrying out an important task, having up to today handed over 290 provisional titles in the awarding of land to peasants and 118 additional titles which are permanent. He announced that in the second half of this year 7,828 provisional titles and 2,500 permanent titles will be distributed.

Muyshondt Yudice explained that within the MAG reorganization, the reactivation of the Salvadoran Institute for Coffee Research (ISIC) is being considered. This organization, he pointed out, has earned scientific and technical prestige not only nationally but internationally, and he considers it very important and necessary for the development of the coffee industry. He reported about his recent visit to Guatemala, where he participated in the First National Milk Conference and received, along with his colleague from Honduras, special honors. At the congress, he said, the ministers of agriculture of Guatemala, El Salvador and Honduras met and among other matters decided to sign short-term agreements to implement a program of rural development in the Trifinio region and to make good use of bordering waters.

Finally Muyshondt Yudice announced that in December a meeting will be held of ministers of agriculture from Central America, the United States, Canada, Venezuela and Mexico; that the market on wheels will be resumed after the August vacation and that because of the escalation of violence in El Salvador, the area of cotton cultivation this year will be only 60,000 manzanas as opposed to the 85,000 manzanas that had been expected.

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CSO: 3010/2171

GOVERNMENT ELECTORAL ACTIVITIES CENSURED BY OPPOSITION

Mexico City UNOMASUNO in Spanish 19 Aug 82 p 6

[Article by Rene Delgado: "Opposition Parties Stigmatize the Government's Unlawful Meddling in the Recent Elections"]

[Text] In a lengthy session which culminated with the confirmation of the electoral victory of 33 PRI [Institutional Revolutionary Party] deputies who took part in the recent elections, the opposition--particularly the PSUM [United Socialist Party of Mexico] and PAN [National Action Party]--censured the government's unlawful meddling in these elections, the irregularities and alleged fraud perpetrated in them, and denounced from their various positions the antidemocracy, corruption, and economic bankruptcy that characterize Mexico.

Before these opinions the PRI speakers who took the rostrum of the Electoral College noted that it is not on account of the possible shortcomings of some individuals that one could "blemish the credit of the great revolutionary family," that the PRI has answers to Mexico's national problems, and that this is so true that the electorate reasserted its confidence in the PRI program in the recent elections.

Furthermore, the PRI speakers lamented the fact that the opposition should use lies and slanders for arguments in its accusations and should try to justify its losses by tarnishing the electoral process.

Despite such occurrences and the fact that 11 of the 33 cases examined and approved has been challenged, the discussions in the Electoral College did not reach the level of debates but merely consisted of accusations leveled in the parliamentary groups of the PAN, PSUM, and PST [Workers Socialist Party] while the benches of the PDM [Mexican Democratic Party] and the PPS [Popular Socialist Party] kept their silence. There was more action among the PAN members in the galleries which had to be called to order on more than one occasion.

The accusations started as soon as the election results in the first district were examined by the college--those in district 3 of Chihuahua where the PRI member, Enrique Soto Izquierdo, had won. In this case the PAN group

questioned why Soto Izquierdo himself had handed over to the Chief Clerk of the Chamber of Deputies all the documents that certified his electoral victory. In response, the PRI bench explained that those documents were not official but merely copies, and it voiced regret that the PAN should have acted deceitfully and in bad faith.

The case was put to a vote and Soto Izquierdo's victory was confirmed.

Another discussion was held about district 4 of Chihuahua where the PRI candidate Francisco Rodriguez had won. PAN member Carlos Chaviera asserted that the elections had been fraudulent in Chihuahua and focused his speech around [alleged] PRI corruption, asserting: "There is always corruption when a party continues in power, but a renovating wind is blowing. It is a hurricane charged with new seeds. It is the wind of the people, the wind of God." In his speech, Chaviera called attention to the fact that the Federal Electoral Commission, through "shenanigans and pettifoggery," had impeded access to the Chamber of Deputies to the former distaff presidential candidate of the PRT [Revolutionary Workers Party], Rosario Ibarra de Piedra, and other legislators, an access to which the Trotskyites were entitled.

Regarding the issue of corruption, PAN member Carlos Javier Becerra continued his group's charges. He said that it was absurd to think that the residents of Chihuahua had elected a PRI representative given that the former deputy from that district, Miguel Lerma Candelaria, had been involved in serious acts of corruption.

The PRI defenders, who had already mentioned the lack of proof with which the opposition tried to charge them and had pointed to the frivolous nature of the accusations, invalidated the concept that the possible "unlawful conduct" in which Lerma Candelaria had ostensibly been involved could blemish the prestige of PRI candidate Francisco Rodriguez Perez.

"It is not worth striking a spurious analogy," Enrique Soto Izquierdo said, "and to claim that through a possible error, through a single possibly unlawful act, one can tarnish the credit of an entire, large political family, which is the family of a majority of Mexicans adhering to the principles of the Mexican Revolution." The case came to a vote and the victory of Francisco Rodriguez Perez was declared to be valid and legitimate.

Following these cases the decisions regarding various districts were approved without discussion: District 5 of Chihuahua and districts 8 and 9 of Tamaulipas where PRI candidates Samuel Diaz Olguin, Manuel Cavazos Lerma, and Martha Chavez Padron had won.

Then came the turn of district 3 of Hidalgo which had been carried by PRI candidate Cesar Vieyra Salgado. There the PSUM--thanks to the action of Edmundo Jardon Arzate--challenged the decision on the basis of the numerous frauds and irregularities that were reported and which the speaker summed up as "blatant fraud" perpetrated from the voting booth. He asked that the electoral process remain under the control of the political parties

however, as it happens now, he said, it is not possible to speak "either of the absolute honesty of elections and much less of formal democracy in the country."

The PSUM member also noted that the tenure of the PRI is coming to a close and the results of erroneous policy running counter to the principles of the revolution are evident. He said: "The fact is that in Mexico there is a minority of privileged individuals whose total does not exceed 100,000 and that there is a visible and overwhelming majority of underprivileged people who are exploited by this privileged minority." In a second speech, he indicated that since the government representative did not explain "the magical dance of the electoral results" it is the PRI members which will have to do so now.

The initial PRI responses invalidated the opposition's charges because these did not refer to the terms of the decision. Still, when the time came, Guillermo Pacheco Pulido implicitly compared the posture of the PSUM with that of the sponge tree--"a plant which grows around mint to prevent the latter from growing." He expressed regret in this way that at a critical stage of the country's history "we are seeing this Electoral College becoming a place for shysters."

The PRI member criticized the fact that some had tried to win votes not just for them in the ballot boxes but rather "through impudence, threats, and patronage." After noting that the PRI had theories and answers to numerous problems he added:

"We have advanced because the government has moved away from that plan which many would desire eagerly." Pacheco Pulido also said that many are making use of the country's economic structure because they could speculate with money and many become angry because they did not have the opportunity to do so but that the government's economic measures favor the underprivileged classes.

Following this discussion the favorable decisions regarding the electoral results in districts 5 and 6 of Hidalgo were approved. There, the coordinator of the PRI group, Humberto Lugo Gil, and his PRI colleague, Antonio Ramirez Barrero, had won. This was also the case with districts 4, 1, 5, and 7 of Michoacan where PRI candidates Raul Lemus Garcia, Hermenegildo Arguiano Martinez, Guillermo Avila Villa, and Cristobal Arias Solis were the victors.

The discussion was resumed when the case of district 3 of Michoacan came up. The mayor Daniel Angel Sanchez Perez warned that he did not have evidence to deny the victory of PRI candidate Ignacio Olvera Quintero but he did not trust those "PRI members who sat on the local electoral commission." He denounced the climate of insecurity, idleness, injustice, and repression existing in Michoacan.

The PRI response was limited to noting that there were no reasons to alter the terms of the decision and deny the victory of Sanchez Perez.

Subsequently, without debate, the cases of districts 9, 10, and 11 of Michoacan were approved. These were won by PRI candidates Juan Villegas Torres, Eulalio Ramos Valladolid, and Armando Ballinas Maynes. Then, the deputies proceeded with the examination of 15 districts of the capital. The victories of PRI candidates Carlos Jimenez, Domingo Alapizco Jimenez, Jose Fernandez Alatorre, Arturo Contreras Cuevas, Manual Osanto Lopez Enrique Leon Martinez, Hilda Anderson Nevarez, Alvaro Brito Alonso, Juan Jose Osorio Palacios--chairing the debates in the college--Jose Aguilar Alcerreca, and Sara Villalpando were found to be aboveboard.

PRI deputy Rodolfo Garcia Perez, the winner in district 2 of Mexico City, found his victory challenged by the PSUM. Vicente Anselmo Guerrero of the PSUM, the candidate in that district, said that he was not going to claim a victory that he had not won but that he was interested in denouncing the irregularities that had occurred in the elections. He reported that the meddling by the Department of the Federal District on behalf of PRI candidates eliminated evidence of opposition and the issuing of voter registration cards to citizens who did not belong to that district.

In response, PRI member Jose Fernandez Alatorre said that there had been no basis for discussion given that the victory of Rodriguez Perez was beyond question. In turn another PRI member, Juan Saldana Rosell, criticized the opposition for using the rostrum for "abuse, slander, and lies," and questioned why parliamentary groups should be complaining of the quality of the electoral register when they themselves had taken part in drawing them up.

Another case which generated a minor discussion was that of district 5 of the Federal District where the leader of the capital's civil servants, Miguel Angel Morado Garrido, had won. Regarding that decision the PSUM candidate, Miguel Estevez Juarez, a nearsighted individual, besides challenging the PRI victory, asked that greater attention be paid to Mexicans suffering from eye disease and later Morado Garrido suggested that assistance be given to that social sector.

There was spirited discussion regarding district 12 of the capital. Cesar Humberto Gonzalez of the PST denounced the campaign that conservative sectors had waged against his candidate, the boxer Ruben Olivarez. The initial PRI responses--by Manuel Solares Mendiola and Cuauhtemoc Paleta--invalidated the charge for lack of evidence. In particular, Paleta noted that the sportsman had only been praised but he noted that, because of "mental discipline," when criticisms were made, these should be documented with proof.

That statement caused Antonio Ortega of the PST to criticize the PRI candidate for highlighting "the steamroller complex of his party," and when his turn came Humberto Gonzalez Magallon warned that the process of Mexican politics moving toward fascism was under way. Gonzalez Megallon produced pamphlets in which Ruben Olivares was attacked, and he expressed regret that the PRI members should fail to understand the attack which the Right was leading against the nation.

Another major discussion by the PSI occurred in the examination of district 1 of Mexico City where PRI member and labor leader Joaquin del Olmo Reyes had won. Bernardo Lopez of the PSI asked that the case be reviewed given that Olmo Reyes, far from representing the workers' interests and rights, had been seen to have received assurances that Olmo Reyes had become rich through control of labor contracts and characterized him as a gangster.

The PSI defense, under the direction of Serafin Dominguez, invalidated the accusation because it did not refer directly to the decision and he emphasized the fact that the PSI should strive to justify its defeat by criticizing the electoral process with defamations, slander, abuse, and insults. He indicated that personal innuendo had been made which the Electoral College should not take into account.

There was further debate regarding the case of district 1 of Yucatan where PRI member and leader of the peasants' section, Victor Cervera Pacheco, had won. The PAN parliamentary group challenged that victory on account of irregularities in the electoral process involving Cervera Pacheco. However, the PSI defense pointed out that there was no evidence that would warrant reconsideration of the electoral decision and it criticized the fact that the PAN failed to present proof.

The discussion continued and the coordinator of the PAN group, Bernardo Patis, criticized the fact that the Electoral College should shun its responsibility of scrutinizing the bottom of the matter.

At the end of the discussion it was said that the discussion did not focus around whether the PAN members were the sons of the peasant or not but he underscored that, despite the obligation that they have in the Electoral College, they would defend their social sector whenever necessary. And he warned that the PAN should not try "to tarnish the elections," when it is known that the elections had taken place, would reiterate their criticisms and shortcomings which appeared in the

Another speaker, Jose Carreno Carion asserted that the reason for the success of the PRI is the solidarity of the masses represented by Mexico and, after recognizing that there were irregularities in the course of the elections, these would not be generalized since this would evidence misunderstanding the true bases of the consensus and he emphasized the popular mandate.

Finally, there was a discussion of the decision regarding the case of the PRI candidate Jose Pacheco Duran. Samuel Lopez of the PAN pointed out the irregularities and asked that these be re-examined following a recount of the votes. However, the chairman of the Electoral College, Luis Jose Garza, characterized the request as inappropriate and it was not formalized in writing.

TRAFFICKERS IN UNDOCUMENTED PERSONS ARRESTED

Mexico City EXCELSIOR in Spanish 28 Aug 82 Sec D p 1

[Text] Ciudad Juarez, Chihuahua, 27 August--Today, the Federal Judicial Police captured the rest of an international ring of traffickers of undocumented persons, who were carrying 12 Guatemalan farmers from the southern border to take them to Los Angeles, California, charging them 150,000 pesos apiece.

The commander of that entity, Eligio Miranda Hita, stated that the group's ring-leaders were the Guatemalans Olga Lopez Polanco, Mariana Silva de Soto and Brigida Orona de Dominguez; in addition to Rafael Angel Murillo, Antonio Ortiz Chavira and Jose Humberto Munoz Gonzalez.

The ring was operating from the border with Guatemala, from which it was transporting the undocumented persons to Puebla. Then, another individual would take them as far as Queretaro; and from there, they were taken in different vehicles to Chihuahua and this border. Subsequently, they were taken into El Paso and, finally, to Los Angeles, California.

0010 2258

OFFICIALS EXPLOIT CENTRAL AMERICAN TOURISTS, ILLEGALS

14-00000 POLYFENO in Spanish 24, 25, 26 Aug 82

Received and published by Doctor A. Gonzalez

From 1940 to 1950, they departed from Gante and 5 de Mayo Streets what was referred to as their last excursions made for business and tourist purposes by Cubans, Mexicans, and Americans, Americans and Guatemalans who have been paying Mexico for an entrance to the tourists annually for more than 35 years, to tour and to bring goods that are not produced in their countries.

the economic situation, but chiefly the bureaucratic obstacles that they must clear in order to procure the FM-3 visa (a permit obtained by emigrants to visit the United States), and the extortion to which they are subjected by the subordinate immigration, customs, judicial, police and even traffic authorities, have caused a reduction of as much as 95 percent in the trade and tourism engaged in by Central American citizens in our country.

Some 800 foreign merchants have even charged that the immigration authorities at this point in Beirut have extorted them and treated them tyrannically.

Hotel guides, excursion conductors, merchants and hotel personnel have cited the economic problems as the main reasons for the decline in the flow of Central American tourists to Mexico.

the city's downtown hotels (Buenos Aires, New York, Juarez, San Antonio, La, Arroyo Madero, Eliza and Lafayette), to which the Central American excursionists, in the habit of coming, have felt this reduction.

He complained the owner of a bus with Nicaraguan plates, Ramon Ortega, who has been travelling to the country for over 25 years, for business

... his TM-3 visa, issued by our country's consulate in Tucuman, ... 098/40, expired on 22 August, in other words, before his ... country, he explained: "Entering Mexico is a problem for all

business excursion operators traveling by bus, because the immigration authorities impose many requirements and formalities on us to procure the visa and to allow the vehicle to pass. It is primarily for this reason that the excursions have declined."

He remarked: "There have been instances wherein many Central American merchants traveling on the highway, after having covered hundreds of kilometers, have had to return at the border because they did not meet all the requirements for entering Mexico; and, on many occasions, the immigration authorities ask for between \$400 and \$500 to let the vehicle pass."

He commented: "This has happened to the excursions coming from El Salvador, Honduras, Costa Rica, Guatemala and Nicaragua. When we reach the border in the town of Hidalgo, Chiapas, the problems multiply."

The owner and driver of the bus claimed that, on the average, one merchants' excursion leaves over \$50,000 in the country.

He noted that the FM-3 visa, issued by Consul Fernando Palacios at the Mexican Consulate in Tucuman, Guatemala, costs 600 pesos, and said that, every day, "it is more difficult to procure, because they impose many requirements, including the demand that the application be handled by a travel agency and that the latter be known to the Mexican ambassador to our country."

On his FM-3 visa, it is specified: "The individual enters the country for the purpose of driving a bus and acting as a guide for Nicaraguan tourists, with the prerogative of entering and leaving the country as many times as necessary during the period when this permit is in effect. He is forbidden to engage in paid or lucrative activities. Six months. Multiple entries."

The Nicaraguan tourists staying at the Buenos Aires Hotel, located at Gante and Calle Mayo Streets, have formed stacks of boxes in the building's corridors. Items such as rubber bands, marbles, clothing, preparations for the hair and love novels are some of the goods which they take to their country.

With a trip covering over 3,000 kilometers and lasting over 5 days, traveling night and day, the 13 merchants comprising this excursion group complained that the Mexican customs authorities demand between \$15 and \$20 per passenger to allow the goods to pass through.

Armen Orozco, aged 35, who was interviewed at the aforementioned hotel, commented: "I don't see why we have to give the customs officials money if all the goods that we are carrying have been purchased. It is not our fault that no invoice is given in many business firms. Besides, we have come to leave our dollars in Mexico, and they should not treat us in that way. We have only come to buy."

Ismael Lorenzo Martinez, who has traveled to the country for over 35 years, in turn, remarked: "The immigration authorities at this city's airport ask us for money and hold us up in the offices for as much as 3 hours, because despite the fact that we have shown all our papers, they think that we are going to work on the northern border."

He added: "Previously, they used to treat us very well; but now they ask us for a dollar passenger, and they insult us. On this last occasion, one of the federal officials who was apparently drunk asked us how much money we were carrying, and another food was expensive in Mexico. Since the answer was that everything was expensive, he answered us by saying: 'Then why do you pug-noses come?'"

Alfonso, from the town of Leon, Nicaragua, a tourist bus driver for over 10 years, for his part, remarked: "The Judicial Police in Tapachula stop us on the road with the excuse of having us show our papers, and to let us go they ask for 'bribe.'"

He added: "This same thing holds true of the Federal Highway Police and the Judicial Police in the Federal District; and therefore we always enter the city of Mexico with problems. As soon as they see that the plates are from a Central American country, they stop us, with any excuse."

Alfonso continued: "Now the excursions are going to Panama and Costa Rica. People are not coming to Mexico any longer, for many reasons: the refusal by the United States to accept the visa, the extortion, the dollar problem and the corruption of the police."

Alfonso said that in the country and "chased in Mexico," the Central Americans (Guatemalans and Nicaraguans) crossing the border with papers or without papers, are always stopped by both immigration and police authorities, who always ask for a bribe because of their situation.

Alfonso said there are 10 daily runs of buses to Mexico City coming from the southeastern part of the country, wherein 35 percent of the passengers are Central Americans.

Alfonso said that in the Federal District and leaving the bus at the Eastern Terminal, they are intercepted by agents from the Crime Prevention Investigation Police, a police entity which serves as an immigration, customs, judicial, and detention authority.

Alfonso said that according to IPD statistics from 1978 to date, over 4,500 undocumented persons, Guatemalans and Nicaraguans have been arrested.

Alfonso said that the number of Central Americans held in the country is so high that, according to the Administrative Manager of the Cristobal Colon Prison in Santo Domingo Canton, administrative manager of the Cristobal Colon Prison, the Government leases two buses per day, for 86,000 pesos, to transport the Central American persons who have been arrested by the different police entities.

Alfonso said that in the Federal District, there is a group of agents known as TAPD whose purpose it is to arrest undocumented persons, smuggled goods for street sale, weapons and other persons who are street assailants.

without identifying themselves, and catching the newly arrived passengers by surprise, the DIPD agents are posted on the platforms for the buses arriving from the southeastern part of the country and the states of Oaxaca and Guerrero.

Familiar with the internal operation of the transport lines, the members of the police entity begin their activity based on the schedules for the arrival of buses coming from the town of Talisman and from Iapachula, Oaxaca. They also await those arriving from the states of Guerrero and Oaxaca.

All the vehicles numbered 300 and upward come from those towns in the southeastern section of the country, from Oaxaca or Guerrero. With this information, the agents at the TAPO Terminal conduct their operations.

A farmer who had arrived from Oaxaca at 1500 hours, at the Eastern Terminal, was intercepted by members of this entity and questioned, and his luggage was searched. When interviewed a few moments later, he said that the agents wanted to find out whether he was carrying weapons. The incident occurred at the Cristobal Colon platform. The agents did not identify themselves, and acted violently.

Stationed at tunnel 3 of the aforementioned terminal, the forces make constant rounds of all the TAPO facilities. Electronic apparatus and boxes are visible in a small office, which also contains the water pump.

As for the operation of the TAPO group at the bus terminal, the general manager of this bus station, Isidro Sanchez Barranco, does not know how many arrests are made per day by this police entity.

However, he said that they had no reason to give him an account of their activities, because they are controlled directly by the General Directorate of Police and Traffic.

He remarked that, when the agents overstep in their activities and receive the proper complaint from the injured passenger, "their attention is called to it."

The agents stationed at the TAPO Terminal, who asked that their names not be disclosed, reported that, on the average, from two to three undocumented persons are arrested each day, and are placed at the disposal of the Secretariat of Government. They claimed that, through an official note signed by the DIPD director, Juan Luis Espinosa Bica, the Central Americans who are arrested without papers are sent to the Secretariat of Government.

Nevertheless, the commander of this group, Arturo Miranda, said that he did not know how many undocumented persons are arrested daily, adding that its presence in the terminal "is aimed at preserving the security of the passengers."

According to the foregoing, on the day when the reporter went to interview him, the Guatemalan, Oscar Arente Perez, who had gone to the terminal to purchase a ticket to return to his country, was being held.

with 1,000 pesos in his pocket, Arenzo Perez was at the ticket window of the central station when three DIPD agents, without identifying themselves, took him to the offices located in tunnel 3 of the TAPO terminal.

He said that he was a student, who was living with friends in the Federal District, and that he had been residing in the city for a month and a half, and that his passport had already expired, which is why he decided to return to his home.

He said that the tickets for traveling to the towns of Talisman, Tapachula and San Cristobal de las Casas cost 1,040, 1,131 and 995 pesos, respectively. If the passenger wants to go to Central America, he must pay an additional 282 pesos.

He said that the buses run by Cristobal Colon, a line which makes over 10 daily trips to the southwestern part of the country, cite the arbitrary acts to which the Central Americans are subjected.

He said that the driver of bus 315, described how the tourists from Guatemala, El Salvador and Nicaragua are "extorted."

He said: "At the Immigration office located 44 kilometers from Talisman, the officials in charge make sheer deals with the poor Central Americans, who come with sheer money...and note that they are bringing sheer dollars. They have money, much of it in their papers, but they have to turn it over too."

He continued: "As soon as they board the bus, they say: 'It is a disgrace what the Central authorities do.' And so, at each station or checkpoint of the Federal Highway Police, some money is taken from them. Some claim to have given them 200 or 250, while others say that as much as \$100 of the green has been taken from them."

He said: "I remember the station called Huixtla, yes, that is where they do the same thing. But don't think that the same thing doesn't happen in Talisman, San Cristobal de las Casas, Hidalgo."

He said that the front seats of the bus, and proud because, during the trip, he saw some fellows on the highway, he commented: "These fellows are stealing. They are stealing that if they have come as tourists?" After putting some questions, he said: "And the same thing is happening here in TAPO. The platforms are also up to their old tricks."

He said that the same thing is made by the drivers of the different lines who were subjected to the same irregularities.

He said that the driver of bus 28, described his experience as a driver of the northern part of the country.

He said that he had traveled from Mexico City to Mexicali, and on several occasions I found out how they treat the undocumented persons who are taken from the north to the south. During these trips, I found out how they treat the undocumented persons.

[20 Nov 81 p 28]

[Text] The arrests, jailings, extortion and human rights violations committed by the Crime Prevention Investigation Division (DIPD) against the foreigners residing in the country, particularly Central Americans, are charges which "remain dormant in the Chamber of Deputies, to the detriment of Mexican foreign policy," according to a statement made yesterday by the former PSUM [Unified Socialist Party of Mexico] federal deputy and head of the International Area Solidarity Commission of that party's Central Committee, Adolfo Mejia Gonzalez.

During the third session of the Chamber of Deputies, held on 26 October 1981, Mejia Gonzalez submitted a concrete charge against DIPD and, specifically, against its director, Francisco Sahagun Baca, for the "arbitrary" arrests made by this police entity of Central American citizens, especially Salvadorans.

The PSUM leader stated that the charge, which was turned over to the Congress' Negotiation and Complaints Commission, went to "sleep the sleep of the just, because despite the fact that I subsequently requested an investigation of the DIPD's activities, it was all left undecided."

The Mexican Committee of Solidarity With the Salvadoran People (CMSPS), in turn, in a study made of these charges, has disclosed that the economic conditions of most of the Salvadoran refugees entering Mexico are very unstable, particularly if one considers the fact that, from the time "they enter the country, they are extorted in many different ways, especially by 'coyotes' and immigration authorities."

The document also states that, "The immigration policy of not recognizing the Salvadorans as war refugees has caused them to be subjected to countless types of extortion, very bad prison conditions when they are held in custody, mistreatment, economic exploitation and a psychological state of perpetual anxiety over the danger of deportation."

Testimony from Salvadoran refugees arrested in Chiapas, Oaxaca, Mexico City, Sinaloa, Veracruz and Baja California indicates that the immigration and police authorities stop the buses bound for the northern border, via Mazatlan, and all the "travelers must get off with their papers in hand, and if they are not carrying them, they are treated violently."

One of the tests (the investigation notes) given by the immigration agents to ascertain whether the passengers are Mexican is to have them sing the national anthem. And the citizens of Central American countries are sent to the jail in Mazatlan, and remain there for weeks until they are moved to Mexico City.

The CMSPS conducted the aforementioned study in cooperation with the representatives that it has in the majority of states of the republic, who obtained data and testimony from the Central Americans who have left their countries for political reasons.

In commenting on the history of the Salvadoran migration, the study notes that "the entry of refugees into Mexico is a new phenomenon." It states: "This

...tended to move to the United States, and considered Mexico only a transit, not a destination place. Nevertheless, just as in the case of other countries of the region, as the political and economic crisis in Central America has worsened, the exodus of Salvadorans to Mexico has increased and is beginning to assume a permanent nature."

...stated: "Now then, the Salvadoran refugees who succeed in reaching northern Mexico are extorted and persecuted. In the Federal District, there are in operation three rings of 'trappers' who 'connect with' the Central Americans at the Mexican Passenger Bus Terminal (TAPO), later abandoning them at the northern border, despite the fact that they collect from them in advance, supposedly to obtain employment for them in the United States."

"Many Salvadorans have been arrested in Tijuana, at the airport or in hotels, even when their papers are in order, with the charge of illegally entering the United States."

The study points out: "The violation of the Salvadorans' human rights does not stop there. Those who have managed to escape from the repression of the Christian Democracy in their country. In Mexico, the Salvadorans are subjected to all types of harassment and arbitrary action. When a mother is arrested with her children, the latter are taken from her and kept in a nursery or a shelter for minors, and the mother is held and subjected to mistreatment and sexual abuse."

...stated that the denunciations were submitted by the Communist congressional group ... However, Adolfo Mejia Gonzalez claimed that he had ... more than three occasions to the Chamber's platform to expose this type of arbitrary action against Salvadoran citizens, and that all the charges were ... "We totally condemn the systems which use the country's police ... Central Americans who are in our country."

...stated that Mexico has a highly contradictory foreign policy. ... that proverb which says: Light in the street, and darkness in the house ... the different police entities, particularly, DIPD, ... violations against the visitors from the Central American ... is a national problem."

...stated that Mejia Gonzalez submitted to the Chamber of Deputies, he noted ... thorough investigation of the constant, repeated arrests, ... extortion and other human rights violations that members of ... against foreigners residing in the country, with the excuse ... papers in order, with that police entity encroaching ... that is dissociated from it, and helping to violate rights here ... in the national arena, downgrading Mexico's image and ...

...stated: "This point is being brought up because, from ... that I have taken to obtain the release of Salvadoran citizens, there ... repressive behavior against many of the political refugees in ... these coming from Central American countries, on the part of ... which comprises violation of the constitutional guarantees."

He added: "Therefore, essentially, we are demanding this investigation so that the right of asylum in Mexico will be preserved, so that the negative dead weight of our foreign policy will be shaken off, so that our sincerity and consistency in the defense of human rights will be demonstrated and so that there will be abolished from within our police forces brutal, savage practices, the occurrence of which in Chile or Uruguay would surprise no one, but the occurrence of which in Mexico would make everyone, both Mexicans and Latin Americans, indignant."

Nevertheless, the PSUM leader repeated: "The charge has been 'sleeping the sleep of the just' in the Chamber of Deputies' Negotiation and Complaints Commission."

2009

CSO: 3010/2258

TAX REFORM MEASURES ANNOUNCED BY SILVA HERZOG

Source: EL UNIVERSAL, MEX in Spanish 19 Aug 82 pp 1-A, 10-A

Topic: Luis de Cervantes: "Fiscal Incentives To Relieve Financial Strain"

Luis de Cervantes, secretary of finance disclosed yesterday a package of tax and financial measures that will help, he said, to conserve sources of employment, encourage greater investments, and restore the purchasing power of the working class by lightening the tax burden.

The package of measures, included in a presidential decree, will represent a reduction in fiscal revenues but have as its purpose to alleviate the financial problems which, under existing circumstances, face firms with foreign currency-denominated debts.

The decree specifies the following:

1. For the sake of enterprises improving their financial situation they will be allowed to defer the total due to the Secretariat of Finance on account of withholdings for income tax on products resulting from work to be retroactive to January, February, and March 1982. Also to benefit from this measure are individuals involved in commercial activities.

2. To improve the workers' purchasing power, assistance will be made available through an adjustment in the monthly personal income tax schedule. This schedule, which will reduce withholdings, should enter into effect in January 1983. This represents an average reduction of 35 percent in taxes. Employees who file their annual tax returns will benefit from this measure starting in 1983.

3. A 10 percent offset deduction will be allowed on income tax on account of the 10 percent tax to be collected by firms selling to ultimate consumers. This measure will benefit consumers who purchase durable goods through installment contracts.

4. The 10 percent financial assets tax in Mexico is also allowed beginning January 1983 to the end of June 1983. This cut does not relate to

investments in construction. The purpose of such a measure is to stimulate investments and thereby encourage the creation of employment.

The Mexican president considered it appropriate to defer the amounts due on account of income tax in August, September, and October 1982, but these tax liabilities must be settled with the treasury in January, February, and March 1983. As regards individuals, they will also be able to postpone their payments without being responsible for the interest due on taxes, the total of the amounts payable in the fourth and fifth bimonthly periods of the present year to be deferred till January and March 1983.

It was explained that those taxpayers experiencing liquidity problems stemming from exchange adjustments will enjoy the use of these funds during the deferred period subject to a surcharge of 2 percent.

Individuals paying personal income tax will enjoy a cut of 35 percent, a measure benefiting workers directly.

Investment in fixed assets will be encouraged to avoid as far as possible downswings in our investment trend with a deduction of 50 percent (in taxes) being applicable.

There will be a deduction of taxes in accounts to promote in domestic funds from taxpayers who are generally in the public sector, with the exclusion of taxes involved in the transfer of property, the provision of services, the use or temporary enjoyment of assets, and the transfer of land and constructions intended for housing.

CEMAI PRESIDENT ON EFFECT OF IMF AID

Mexico City EXCELSIOR in Spanish 19 Aug 82 pp 1-A, 13-A

[Article by J. Jesus Rangel M.: "To Avoid Runaway Inflation CEMAI Would Guarantee Liberalizing Mexico's Agreement with the IMF"]

[Text] The possible signature of an agreement with the International Monetary Fund (IMF) which would imply applying measures of economic austerity would present Mexico from falling into runaway inflation and returning to a free foreign exchange system, Ernesto Amtmann Obregon, president of the Mexican Business Council for International Affairs (CEMAI), asserted yesterday.

Antonio Calvochea Luna, president of the Confederation of National Chambers of Commerce (CONCANACO), noted that the "loan to the government of dollars from private savings" should be made on an emergency and temporary basis, and be accompanied meetings with all of the country's merchants "to eliminate any kind of uncertainty."

He also asked for "prudence and the possibility of dialogue with public opinion" from the federal government to explain the risks inherent in a radical behavior for the economy, in addition to special treatment for the border and free trade zones to obviate major problems.

The head of CEMAI was interviewed in his office while the president of CONCANACO sent a memorandum. In the morning, various business leaders had a breakfast with the secretary of finance and public credit, Jesus Silva Herzog, shortly before the latter left for the United States.

He said that for the first time, in unequivocal, honest, and precise terms, he was apprised about Mexico's economic and financial circumstances and that such a situation confers credibility on the authorities.

In A Single Exchange Rate

He added that the announced tax measures in favor of firms and workers are positive and concrete and that there is confidence that in the short term the foreign exchange market will again be based on a single exchange rate.

Artmann Ureagin noted that in the short term it is indeed possible to increase the amount of exports of manufactured products and that besides greater competitiveness in Mexican products the prices of various exported raw materials such as those of oil, silver, copper, sulfur, and other commodities, will rebound.

The business leader specified that "the country's natural resources have not disappeared and that we must not be so alarmed. Mexico will not witness what happened in Brazil and Argentina, namely, will not experience runaway inflation and internal social conflicts."

Artmann Ureagin stressed that it is necessary that as soon as possible there be established again a single exchange rate to determine what are the production costs of firms and to be able to draw up future exchange rates in the foreign market to boost exports.

Emilio Guicoyehua Luna said that now there is indeed an explanation as to why the authorities adopted decisions which a little while earlier had been set aside as they had proved to be counterproductive.

He noted that COMEXACO, for the sake of the public interest, considers it a duty for Mexicans "to lend our government dollars from private savings on an emergency and temporary basis to help the country fulfill its commitments and obligations."

Nevertheless, he explained that "we do not understand the procedure used for this purpose, namely, by concealing from public opinion until yesterday the reasons why this measure was chosen, it being obvious that it was better that the truth be told to Mexicans no matter how unpleasant it may be at the appropriate time rather than waiting that because of uncertainty rumors and false rumors, in negative impacts not only in the economic field were the origin as evident but in the social realm as well."

Measures That Will Alleviate the Situation

On referring to the 50-billion peso subsidy to firms through tax relief, counsel, by describing the collection of income taxes due in the next 12 months, the possibility of an immediate 30 percent cut in the capital gains tax passed within a year, and the amended personal income tax rates, he said that these are measures that tend to alleviate Mexico's internal economic situation.

Artmann Ureagin added that this will be achieved not only by virtue of the benefits that the measures will yield to enterprises and consequently production and employment but also through the benefit that this will represent for consumers.

He explained that the decision to reopen the foreign exchange market under the established rules and its future evolution toward normalization represent Mexico's liberal traditions "and we support its application."

On Tuesday Luna reported that only yesterday, in an interview with treasury officials, CONCANACO requested the adoption of adequate measures to give border and free trade zones special treatment considering that the special conditions of their market, both in relation to a foreign market and to problems of supplies, call for appropriate measures.

Luna also noted that he will pay visits to all of Mexico's chambers of commerce to inform them directly what the existing economic conditions are and answer questions so as to dispel uncertainties.

Finally, he stressed that "we believe that the use of [private] dollars held by Mexicans was a necessary evil and that Mexicans will understand the reason for a measure that is justified only on a temporary basis in line with the recommendations by the secretary of finance.

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MAYIN CORREA INTERVIEWS PARTY LEADERS

PAP0101 Panama City CIRCUITO RPC Television in Spanish 1730 GMT 5 Sep 82

Interviewed with Eulalia Ferreira, secretary general of the Popular Broad Front, PRD; Olimpo Diaz, member of the Democratic Revolutionary Party, PRD; Guillermo Corbacho, acting president of the Christian Movement Party, PDC; Olimpo Saez, president of the Popular Nationalist Party, PNP; and Alvin Weeden, secretary general of the People's Action Party, PAPO, on the 1730 GMT program in the studio "Special Edition" program; in Panama City; date 05 Sep 82.

Q: [Mavin] My first question is for Alvin Weeden, PAPO secretary general. Does PAPO believe in the opposition's unity? This is not a whim-wham question. I ask this because I saw that when the opposition was invited to hold a political dialogue with the government, the National Guard and the armed forces representatives and the president, I believe PAPO was the only opposition party that did not show up. So I get the impression that PAPO does not approve of the idea of unity among the opposition, since it apparently does not agree with the rest of the parties.

A: [Weeden] In PAPO's view, unity among the opposition must be achieved from the Panamanian people, not before the president of the republic, General Noriega, or those who for 14 years have been usurping public power in this country. Francisco de la Espriella is just another president who was appointed, rather than elected, like Aristides Royo. He was not elected by the Panamanian people, but was elected by the system of corregimiento representatives, which tends to ignore the people's vote.

Q: [Mavin] You are identified with the democratizing postulates of the opposition parties. Our absence from the presidency in no way means we are completely or definitely broken with those with whom, for 14 years we have fought in our democratic struggles in this country, with whom we have shared our commitment--for instance, Olimpo in the law school; with Willie [Guillermo Corbacho] in the Movement of Independent Lawyers--in short, with the group of men and women who for 14 years have opposed and fought against the autocratic system established by the 1972 Constitution that resulted from the 1968 military coup.

A: [Weeden] I can note, Mavin, that despite the fact that... [Correa interrupts]

[Correa] Excuse me, Mr. Weeden, but what does a party lose by participating in a dialogue? I'm not saying they should sign anything or make any commitments, but I can never understand a party that refuses to hold a dialogue.

[Weeden] I can answer that, Mayin. We... [Correa interrupts]

[Correa] What does that imply?

[Weeden] We do want to hold a dialogue. As a matter of fact, we hold dialogues everywhere. We hold dialogues... [Correa interrupts]

[Correa] But I mean holding dialogues with everybody.

[Weeden] Excuse me, Mayin, we are doing that. We are doing it right here with the FRU and FRAMPO. We have held dialogues in the past, as you yourself have witnessed. We have also held dialogues through the electoral tribunal and the electoral code. We have held dialogues and the rulers know perfectly well what our feelings and positions are through our public communications. But we don't believe in holding dialogues without conditions of any kind, without some kind of program for dialogue. That is the problem in this country: The use of dialogue. Things are always being patched here. Here, the president and the republic and General Paredes--basically, this is the case with General Paredes, who represents the National Guard general staff--think that since they are the owners and masters of this country, dialogues are held when they want and under the terms they establish. There aren't even minimal courtesies, like saying: "Continue in the opposition, Panamanian people! Let's all sit down to hold a dialogue; let's openly set up a program of national problems in order to solve them. That is not being done, Mayin. What is being done?"

[Correa] But we sent a letter.

[Weeden] Yes, but what does the letter say? What did General Paredes say? He said: Constitutional changes but without dissolving a constituent assembly; constitutional changes in which the process does not know the institutions it is created. This is an aristocratic system. This is a completely aristocratic system, where a small group of men take upon themselves, by their own will, all national decision-making.

[Correa] But we are, Mr. Weeden, and this is a basic element--represent the various parts of political thought. We represent them. We can't have absolute unanimity either, in the sense that we can do without the Panamanian people. I state that the Panamanian people must participate in any constitutional change that is to take place. How must they participate? By being able to know the individuals, the politicians, the political party leaders, or those who are brought forward by those political parties and their views on the Constitution and its changes. Through their vote the people then decide what they believe, what they don't believe, what changes they want, what changes they don't want. Here, however, is exactly what is not being done with these constitutional changes: that is--ruthlessly pointed out or introduced to commissions of notables who no matter how sensitive nor can replace the people's will. These are, therefore, the problems that must be discussed in a dialogue. Mayin, on many

...and we have said that the constituent assembly is a peaceful solution. It is not equivalent to confrontation.

One more thing we can't forget, Mayin, is the fact that changes must be made more before the people, not behind their backs. Neither can a plebiscite--in which a people are asked to vote yes or no on some issue--replace the people's will for the purposes of introducing changes. Some of us here, for instance, want popularly elected individuals in the autonomous institutions to control and represent the community in those institutions.

[Unidentified] This president was appointed by the military sector. He responds to the military sector. His cabinet? It is simply a cabinet of friends. They are all friends of one or the other. People are saying... [Correa interrupts]

[Unidentified] ... [Weeden interrupts]

[Unidentified] ...About this cabinet, Mayin, to answer your question. How is the cabinet really called? They call it urban renewal: The same people in the same places. In other words, they are the same people who have been engaged there. [Correa interrupts]

[Unidentified] I don't think so... [Weeden interrupts]

[Unidentified] ...In a number of business deals. Please, Mayin, this is the case with most of them.

[Unidentified] Mr. Mr. I don't think so.

[Unidentified] Most of them have been involved in business deals connected with the social security investments, those fatal investments defended here by my PRD friend. Those fatal investments were leading the social security institution to bankruptcy. A number of irregularities and crimes have even been committed.

[Unidentified] Mr. Mayin's time is up. We must admit that steps have been taken, that there is an opening... [Unidentified speaker interrupts]

[Unidentified speaker] Talks are being held.

[Unidentified] This is being held. Do help me here.

[Unidentified] Talks are being held. That had not occurred in the

...and had not occur in the past. When in 14 years had Dr. Arias been... Not to mention the opposition parties, six of them!

[Unidentified] That is important. [words indistinct]

[Unidentified] ...important. We are no longer the way we were.

[Unidentified] ... We are gradually relaxing.

[Correa] We were not like this before. Let's say this also: We have a different president in form. Even if you don't like him in principle, he is different in form. He is a president to whom Panamanians can talk.

[Correa] Yes, but [words indistinct]

[Correa] We can all talk to him.

[Pereira] Mayin, I would like to explain certain things.

[Correa] Yes, Renato, help me because I (?am not winning this one).

[Pereira] In the first place, there are three important topics here. Topics which you and the other panelists have mentioned here. There is the topic of national unity. There is also Dr Arnulfo Arias' visit to the presidency of the republic, which is a topic all by itself because of what he represents both politically and historically. Then there is the topic of the constitutional amendments. These three topics are important. I would again like to discuss the topic of national unity, Mayin.

On 30 July Torrijism made an incomparable show of force in the street. The parties of the process organized a demonstration that included not only PRD and FRAMPO members, but also members of other political and social organizations. So when we discuss what lies at the bottom of the 1984 elections, we don't do it with fear. On the contrary, we are making an appeal for a clear definition of the rules of the game so that everyone will know where he stands. In this manner there will be no confrontations or violence either in 1984 or later. Torrijism will participate in those elections with an extraordinary force. There is no doubt about that. It will do so through its various parties. However, from the Torrijist standpoint, unity can't be achieved if the Torrijist parties are excluded. It's impossible. The candidate who assumes the image and representativity of Torrijism in 1984 must do so with the Torrijist parties. As a party leader, I also believe that those Torrijist parties must expand their political bases in order to rule amid greater calm. This, of course, must be done by building up and strengthening the country rather than tearing it apart. So I say this: National unity is not possible, not because we don't want it, but because the opposition has spent the last 16 years out in the desert. The parties of the process, the process itself, have kept themselves in the desert for the last 16 years and it is not possible for them to expect the chance to come out of the desert together in 1984. Either they all abandon the desert, or they will remain in the desert an additional 6 years. It is a practical issue. There can't be unity among all the opposition parties and all the Torrijist parties.

Dr Arias' visit--a topic which I consider very important since it introduces a quality element to our political life--it teaches the entire political sector that talks can be held and that--as Cochez and I myself have said--potential enemies can become mere adversaries. This is very important for those of us who love peace, life and our country; for those of us who know that many things must still be built here--culture, education, our national independence, the economy, peace, the Panamanian people's ability to

[Pereira] There are 60 now. On behalf of democracy, peace and the Panamanian people's prospects and ability to understand each other, such a parliament would be worth having. Eighty is not much. We could even... [Correa interrupts]

[Correa] In addition to 505 representatives?

[Pereira] In addition to the 505 representatives, Mayin. The country's peace makes this necessary. Democracy demands this. This is a price that must be paid. Furthermore, there should be deputies for the various parties. The party that obtains a certain percentage of electoral votes is thus represented in parliament. In this way, no Panamanian who is a part of some current or public opinion will feel left out of parliamentary or political life. These are our specific proposals to the political class and the party leaders who sit with us on this panel.

[Correa] My friends, Ovidio Diaz will now tell us about the PRD and its position.

[Diaz] Mavin, may I begin by... [Correa interrupts]

[Correa] What constitutional amendments is the PRD proposing, or won't it propose any?

[Diaz] Our party is a rank-and-file party in which decisions are made through greater consultation than is true in most of the parties that appeal today to the so-called people's will.

It is very important to note that the other groups that comprise the process--the National Guard, which is the government--have already made statements about the desire to introduce a constitutional amendment. The concept of electing mayors was proposed on 30 July. We don't object to this. I don't think anyone will object to this. This is still merely an idea, because reality indicates that there are certain failures in (?your) process for choosing mayors. Then, there was the issue of electing the legislators and perhaps assigning a new function to them: approval of the national budget. This is also a political activity. I don't think that this will be a problem within the PRD. Nor will it be a problem for the other political parties.

I believe, Mavin, that both the General and President de la Espriella agree--and I fully agree, too--that it is necessary to hold honest elections. Whoever obtains the votes should win. If the opposition, either united or divided, obtains the votes, well, let it rule. I think that there should be total respect for the people's will. I don't think that those who fail to motivate the people to vote for them should rule. However, we believe that, under the banner of Torrijism, we can engage in a confrontation with the united opposition parties. This was demonstrated on 30 July. The people will support our party.

[Correa] This is a question that I would ask all of you: As a party, does the PRD accept the appointment of a commission of notables; that is, people who do not belong to the parties, to resolve political matters? How do you view this?

[Diaz] I think that it is the political parties that, in the end, should amend the Constitution. I fully agree with Renato [Pereira]. I can't say what the party's consensus on this subject will be, since each of its branches will have to be consulted. However, within the framework of the country's problems and the nation's economy, and in keeping with the idea that we must advance and that we need some kind of national agreement--even if such an agreement is not aimed at a candidacy, but at solving many of our country's problems--I would say that this is possible, Mayin. It is possible that such things might happen.

[Correa] Mr Cochez of the PDC, I would like to ask you the same question I asked Mr Diaz. Do the political parties feel that they should be the ones to amend the Constitution, given that it is a political Constitution? Have you or haven't you accepted the appointment of a commission of notables, as proposed by the government, I believe? I am not really sure who suggested that a commission of notables be appointed to study the constitutional amendments. This is my question for Mr Cochez.

[PA062225] [Cochez] Very well, Mayin. There are many ways to amend the Constitution. One of them is that proposed by the PAPO. This is how it was done in both Honduras and Peru. A referendum or plebiscite would be another way of accomplishing this. If done this way, a group of people would propose a number of constitutional amendments and these would be voted on by the people. We in the PDC and other parties have been advocating constitutional amendments, just as the PAPO has been doing, as a means of truly democratizing the country. The government's proposal that a board of notables be established calls for the appointment of a group of lawyers knowledgeable in constitutional matters to draft a new constitution, alongside the politicians. This is how we, the members of the political parties, understand this. This new constitutional text would not be drafted in accordance with the procedure established in the Constitution to introduce constitutional amendments. In other words, that group of notable jurists--among whom we have mentioned Dr Carlos Bolivar Pedreschi, Dr Cesar Quintero, Dr Dulio Arroyo, Dr Humberto Ricord and Dr Jorge Fabrega--would prepare a constitutional text, together with the party leaders. The text would then be submitted to a plebiscite. The constitutional text that is agreed upon would result from an agreement among all political forces. I wish to differentiate between a national agreement, as mentioned by the PRD representative, and national unity, as explained by Renato Pereira.

We, the members of the PDC, believe that national unity among all of the country's political parties will never be possible, for a simple reason: the PRD, the FRAMPO and the communist party, who supports the process, would never be able to reach an agreement with most of the opposition parties. First of all, because the former are parties that emerged under the protection of the dictatorship. Second, because they are undemocratic parties whose tenets--Marxism, for instance--don't respond to democratic principles. We are, therefore, talking about a national agreement among all forces for the purpose of introducing reforms to the Constitution. What do you mean by reforms to the Constitution, changes in the Constitution or a new constitution? We mean a legal instrument that would enable us Panamanians to resolve our political problems. These political problems would immediately help us to resolve the economic and social problems that currently affect the majority of our

people. The people would be represented at this board of notables by the representative of the political party of their choice. It has already been said here that half of the Panamanian people are represented in the political parties. This is why not only the political party representatives, but the independents should also participate in this board of notables. A broadly representative body would thus be achieved to draft a new constitution establishing new rules for coexistence within a short period of time. We have suggested 5 months. The most important thing is that this would help to resolve our political problem, which, in turn, would enable us to resolve the economic and social problems currently affecting most Panamanians.

Here we have been discussing something that I think is worth repeating, Mayin. I am talking now about the forces of Torrijism, or what they demonstrated on 30 July with the March staged at the tomb of General Torrijos, may he rest in peace. We think--and this is something that we have said before--that Torrijism demonstrated absolutely nothing on 30 July. Torrijism merely demonstrated that that was the day of its own burial. That is why they chose 30 July to remove Royo, in order to put an end, once and for all, to the myth that Torrijism has represented in this country. Instead of making use of the good that General Torrijos may have given this country, they have chosen to use his memory to remain in power. Fortunately, this has come to an end in Panama. General Torrijos died on 31 July 1981 and that same day--and this is something that we have already said in this program--the PRD and all of the other parties that endorsed Torrijism also died. This was because Torrijism has never existed, and it can never exist, now that General Torrijos is dead. So this, Mayin, is how we view the national unity among the opposition parties. At this point, we hold differences as to some tactics, but we will never separate, because we in the PDC have already said and we all agree: Together, we are the majority. Woe to the party that, claiming to be in the opposition, makes a pact with the government. The people, who will continue to be in the opposition, will vote for those who remain in the opposition. It is that simple.

[Correa] Thank you, Mr Cochez. We would also like to ask Don Olimpo Saez if he firmly believes in the opposition's unity. I no longer know if this unity would occur with or without the PAPO, since I now see you on this side--the PAPO is over there--and the three who are with the process are on that side, too. [laughter] What would this unity that you advocate be like? Would it include or exclude the PAPO?

[Saez] First of all, thank you for calling me by the title of Don. I hope that this is some kind of honorary title, because I have almost nothing, or absolutely nothing, to warrant being called by this title.

[Correa] You are the president of a party. That entitles you to use this title.

[Saez] Well, thank you. To me, national politics can be faced in two ways: It is either an armed struggle or political militancy. There is no other alternative. There is just one choice: Either a political struggle or an armed struggle. Most of the registered political parties or those that are in the process of formation have chosen the political struggle, rather than the armed struggle, because conditions for an armed struggle do not exist here in Panama.

[JORDAN] If these conditions existed, would you choose that alternative?

[SAUZ] That would depend upon the circumstances. A moment of desperation is something reached, when the people have no other recourse but the use of weapons. In this country we can still choose the vote and I think that this is a good thing. I say this because within the framework of the Panamanian people's political realities, one cannot be a demagogue--that is, try to make the people believe in illusions that cannot materialize--nor can one say that there is no light where light exists.

[PAONEZ] In regard to the nation's political arena, only a blind man could say that the current political developments are the same as 5 or 8 years ago. A change has been introduced. The nation's life has taken a political turn. I think that this turn is positive for both the opposition parties and the regime. I think, because it helps to avoid confrontation. We, the members of the parties that pride themselves in opposing this regime, are pleased our criticisms have been heeded by the government. The government has brought them to light before the nation's public opinion and they must be delved into more deeply. This is why our party, from the outset, announced the changes that were gradually taking place with great alacrity. We don't think that this is a panacea for the Panamanian political parties, but we do think that this is important if the opposition parties are to enjoy better political conditions in 1984 in which to confront the PRD's machinery. This is the machinery of an entire government that has been oiled with public funds for 14 years; that is a fact.

Another fact is General Paredes' announcement about the constitutional amendments that, in my opinion, must be introduced. By introducing reforms, we avoid the electioneering and sectarian political destruction to which a constituent assembly would lead us. I would not oppose the possibility of establishing a constituent assembly if the necessary conditions existed. Here, however, these conditions don't exist at this point.

Now, let's get down to specifics, since I think that the opposition political parties have so far failed to draft a program that we can present to the people. That is one of the opposition's failures. We must say this publicly. We must learn to practice self-criticism, in order to improve along the way. We agree that a board of notables should be appointed. We think that such a board could very well be made up--this is our proposal--of three well-versed jurists, who would collect all criticism leveled at the Constitution. We should not deceive ourselves: The 1972 Constitution is the 1946 Constitution almost in its entirety, except for a few aspects that were amended in 1972. So, as was done in 1946, three distinguished jurists must draft the amendments. They should be broadly discussed with the political parties, the economic and labor groups, the peasants and the students. The communications media must cooperate so that these amendments can be debated throughout the country. During this broad national debate, the board of notables must submit the amendments to the people so that the people can decide on these constitutional amendments within a period of time that would not exceed 6 months.

Once we have introduced the amendments, we must hold elections in 1984. However, these amendments must go into effect, through the plebiscite, in 1984, because the people can't wait for either 1990 or 1996. This must be in 1984. To my dear Ovidio here I must say that in 1984 the opposition and the PNP with it, will be in power. [applause, laughter]

[Correa] I wish that all of you could be in power in 1984. I wish that all of you could be in power and that none of you were excluded. [general laughter and jesting about everyone sharing in the power] Friends, I am thankful to the representatives of the five political parties--two in the process, three in the opposition--who have been helping us to review the current political situation. I for one think that winds of hope and peace are currently blowing through the country, what with the most recent political developments here. We hope so. We are optimistic and have faith that this is how it will be.

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PARTY LEADERS INTERVIEWED ON POLITICAL SCENE

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["Special Edition" program: Mayin Correa Studio interview with Renata Pereira, secretary general of the Popular Broad Front, FRAMPO; Ovidio Diaz, member of the Democratic Revolutionary Party, PRD, Political Committee; Guillermo Cochez, acting president of the Christian Democratic Party, PDC; and Olimpo Saez, president of the Popular Nationalist Party, PNP--recorded]

[Excerpts] [Question] Mr Cochez, how do you see, well, how does your party see--since you are representing your party here today and not yourself--all these recent changes and political happenings; and please tell us why the PDC for the first time participated in a dialogue between the president of the republic and six opposition parties. I understand this means that you have talked with the force that differs with the opposition.

[Cochez] Gladly, Mayin. I believe that the PDC has been very clear regarding its opposition stand during the 13 [as heard] long and seemingly endless years since 11 October 1968. We believe that the changes that occurred on 30 July 1982 are 364 days late. We say this because the day after General Torrijos died, on 31 July 1981, the PDC--in statements that were harshly criticized by the regime--said that with General Torrijos' death an era in the life of the country had ended, and that together we should start a new era to remove the bad, to remove all that that had been created during the first 12 years of military government, the era that according to Christian Democratic opinion ended with General Torrijos' death.

We say that there has been a delay of 364 days because what was done on 30 July 1982 should have been done immediately after General Torrijos died. It was not done for a very simple reason: President Royo, the PRD and all their cronies wanted to continue profiting from the cushy jobs created around the government that General Torrijos led, and they tried to prolong the existence of something that was harmful for the people. We believe that as of 30 July 1982 all Panamanians--putting aside our political banners--must make an effort to deepen the changes that have been announced and that have occurred because of the pressure that all of the opposition parties have been putting on the government for the past 14 years. These changes did not occur because the government wanted them to, but because the people wanted changes; and the people demonstrated this through their political parties, unions and all the institutions that exist in the Republic of Panama.

In that sense, the Christian Democrats--as an opposition party to this regime--said that these changes should be made. These changes should not only be in political matters, because the people don't eat freedom. The people are able to buy their bread in freedom, but freedom and democracy alone will not give the people a chance to solve their daily problems, the problems they face in supporting themselves, in housing, health and transportation. Therefore, the Christian Democrats believe that we should work in three specific fields: the political, economic and social fields.

In the political aspect, we believe that politicians should govern this country, because the politicians are the ones most able to do so. This has been demonstrated throughout history. Prominent men, the military and noble prize winners are not the ones who govern countries--they belong in their laboratories. Politicians are the ones who have the duty to govern our countries.

For this reason the Christian Democrats spoke of the urgent need to deepen the democratization process. We believe that with the appointment of a magistrate that represents the opposition groups, and other magistrates who have demonstrated reliability in the exercise of their office, we can begin to have some faith in the electoral tribunal once it has been appointed. To this moment we cannot say if this arrangement was an answer to the request made by all the political parties to the effect that we wanted three completely independent magistrates. We believe that once the electoral tribunal is appointed we should begin as soon as possible to draft the electoral law so as to define the rules of the game; and we believe that within this process of democratization a tremendous impartiality is required on the part of the government, in that it should not support an official candidate. It is possible--and this is based on President De la Espriella's words during the meeting we had with him at the Presidential Palace--that this may be achieved. Everything demonstrates that this is not something impossible to achieve.

Within these political changes it is urgent to relocate the National Guard within the process of democratization. We have said that we cannot expect a National Guard like the one we had before 1968, but neither can we expect an authentic democracy with the National Guard we have at this time. The National Guard must submit itself to a legal order, to a constitutional order that will make it subordinate to the power that the people choose in an election, and in that sense we believe...[Correa interrupts]

[Question] Please continue.

[Cochez] We believe that we must thoroughly examine and relocate the National Guard in its appropriate role within Panamanian society.

Within the political changes we insist on the urgent need to thoroughly examine the constitutional changes. We believe that it is possible to place the National Guard in the aforementioned role within the constitution and give the other branches of the state, such as the executive, legislative and judicial branches, the true value they should have within the constitution, and which at this moment they do not have.

[The answer continues] In the economic field we believe that to face our economic problems with responsibility it is necessary to solve the political problems first. In 1982 we will have a zero growth rate. This means that we will not even cover the normal increase in the population, which is 3 percent. This means that there is a crisis, a crisis that cannot be solved with more loans because the government's loan capacity has been filled. This crisis has to be solved with a national development plan in which investment is given incentives and all Panamanians actively participate in economic development.

At the moment we are not experiencing favorable conditions to make this possible. We can see that the people no longer have the money to pay their Institute of Hydraulic Resources and Electrification [IRHE] bills; they haven't got the money to pay their National Aqueduct and Sewer Institute [IDUA] bills. People are having their telephones disconnected because telephones have become luxury items. People no longer have \$10 a month to pay the telephone bill. We see that state enterprise produce a pound of sugar at a cost of 17 cents, and that same pound of sugar is then sold on the market for 1 cent. This means that every pound of sugar produced by a state enterprise is costing Panamanians 8 or 9 cents.

Mayin, regarding the social aspect we must emphasize that many of the political and economic problems in this country are due to the misgovernment since 11 October 1968, often characterized by demagoguery and improvisation because the government wanted to make politics out of everything.

We see that some of the social problems that have been created had never before existed in this country, problems like unemployment. We now have more than 100,000 Panamanians without jobs.

We have a very big housing crisis. The only sector building houses is the state; private enterprise is not. Therefore, the housing deficit in the country keeps growing bigger each day.

We have a problem that we experience daily, and we see it every day at bus stops: Mayin, we see many people waiting for a bus trying to get to school or work. If we compare today's system with the one that operated in 1968, we find that in 1968 the system operated fairly well but today it has problems. Why has this occurred? Because of the hands in which the transportation sector was placed. We all know the kind of problem that this represents for the people.

Therefore the Christian Democrats suggest that during these moments that the country is experiencing we all try to solve the problems that Panamanians have. And these problems don't only involve the political problem arising from an autocratic constitution; these problems reach much further. These are economic problems that stop Panamanians from functioning adequately within society. These are social problems that prevent Panamanians from living, from not being able to live in a house that is comfortable for a family. This we have not been able to achieve. We, the Christian Democrats, believe that if we now take the government's word regarding the changes it has offered and the changes involved with our participation then we will probably advance. Otherwise, the government will be the loser.

[Question] Mr Cochez, you said that politicians should handle public matters, but the Christian Democrats have shown a certain satisfaction at the changes that have occurred within the government, and these changes have not been strictly political. They have been more like technical changes, and it is independent people who are administering public matters. This seems to be a contradiction. On the other hand you, the opposition, do not accept an official candidate, but this would make us the only country that does not have a candidate that is supported by the party in power. As I understand it, in every country there is a candidate that is supported by the party in power, by the force in power, and this candidate is known as the official candidate. However, it is true that most of the time this candidate does not win, like in Jamaica, the Dominican Republic...[Cochez interrupts]

[Cochez] And like they will lose here in 1984.

[Question] But it is an established practice, and I don't know how you can ask that no official candidate run in the elections. We can have one--why not?

[Cochez] Mayin, what we are demanding is quite simple. We believe that the public funds--the few public funds remaining, because most of the public funds have been taken and squandered--belong to the Panamanian people. It is in that sense that we are asking President de la Espriella for a statement of impartiality. What does this mean? It means that public funds will not be used for the official candidate's campaign. What does this mean? It means that public officials will not be forced to participate in a designated party. It means that political committees will be abolished. These political committees exist in every ministry. It means that the government employee will be able to participate in the political party of his choice. We are asking that all of this--the abuses government employees have been submitted to for the past 14 years--be included in that statement of impartiality, because they are Panamanians and as such have to be respected.

If President de la Espriella wants to support the candidate of his party--the PRD--that is his business, but he must make a statement that state funds belong to all Panamanians and therefore cannot be used in favor of any one candidate. We want him to state that the government employee's dignity will be respected, and that they will not be used as political instruments as they have for 14 years. This is what we mean by a statement of impartiality.

[Question] Dr Pereira, I imagine you clearly understand what has happened in the country during the last few weeks and, on behalf of your party, can give us an opinion on the matter.

[Pereira] Mayin, I don't know if I am clear on the matter. I have my own view on the events just as the other politicians have their views. First of all, I would like to tell you, the members of the panel and the people of Panama that I do not share the catastrophic view that my respected Christian Democrat friend Cochez has. I sincerely believe that if the opposition had been in the government from 1968 to today we would not only have 100,000 unemployed; we would have 250,000 unemployed. I have not seen any indication

in the opposition's programs that would have allowed me to predict that between 1968 and today there would have been no unemployment in Panama. We have to be honest and let us not have economic demagoguery. At this moment there is no economic or political group capable, in the short term, of solving the unemployment problem. This unemployment problem is serious and it has a structural character. To erase this serious problem of unemployment that brings about such effects as indigence and a backward situation in the agricultural situation I do believe we need a consensus among the political parties; not unanimous agreement among the parties but a consensus regarding the necessary reforms. Therefore, having established calm and clear rules of the game, all production factors would work for the solution of those serious problems such as indigence, unemployment, underemployment and so forth and this consensus would definitely be accepted in the announced constitutional reforms.

We believe that the political parties are a reality and that the state institutions that do not accept this reality will sooner or later fail. It is not possible to have a cabinet of only coldhearted technocrats in view of the existence of political parties representing a wide spectrum of national political opinion. These are men dedicated to their progression--if we could call it this--men dedicated to studying the nation's problems, dedicated to carrying out the process of convincing the people which is an important element in the stability of the nation, an element that cannot be set aside from any free or national action.

I sincerely believe that the proposals for constitutional reforms are shared by some political parties and not by others. I have spoken to members of the Peoples Action Party, PAPO. The PAPO members are quite clear in their beliefs: They don't want reforms to the constitution; they want a constituent assembly and a radical transformation of the constitution. On the other hand, the People's Party [PDP] wants a different kind of constituent assembly. They don't want the constitution reformed but want the power of the representatives to be complete so that they will not only choose, as they have in the past, the president, mayor, legislators, magistrates and the ministers; they want the representatives to have absolute power. I believe that in politics radicalism leads nowhere but there are other people such as the FRAMPO who from the beginning suggested the need to reform the constitution to broaden the participation of that reality, to broaden the participation of the political parties. Civilized nations cannot survive without such participation. You can lead a tribe without political parties but you cannot run a nation without them.

Political acumen is accumulated and concentrated in the political parties. You cannot reject political parties that represent this. A political party is a gathering of culture, political knowledge and academic knowledge. In a civilized country, the leadership structures of a nation are not handled outside these realities which are the political parties.

Therefore, we suggested that the constitution be reformed as General Paredes suggested: A concrete reform and not an abstract one. For example, this means that in 1984, and not after 1984, all legislators would be chosen by the people and through the political parties which are the organizations that channel national public opinion. It is not through the Red Cross or through the

Ministers of Charity that the political opinion is channeled. No. The political parties were not invented by the Panamanians. They date back to ancient times. Humankind had its reasons for creating them; they must have some use.

Therefore, FRAMPO has suggested that in 1984 all the legislators be chosen by the people and through the political parties. In the same manner, and so as to broaden the participation of the political parties in the Panamanian democracy, we suggested that the country's 66 mayors be chosen by the people. For us these two reforms are essential. We also believe that all political parties which achieve a certain percentage of the vote in the elections must be ensured representation in the new congress. This representation would be party deputies such as the ones they have in Mexico and other countries. The party that receives a 1, 2, 3, or whatever percentage the law establishes should be represented in the congress. We also believe that the National Assembly of Corregimiento representatives should be kept at its current level and the administrative functions of this assembly should be broadened. Maybe some legislative functions should be assigned to the assembly. I believe this would be a good experiment. The assembly is now a failed experiment because it was valid as long as there were no political parties. When there are political parties, an assembly in which the political parties are not represented is incongruent. These contradictions have to be resolved.

Consider, for example, our fraternal party, the PRD. It controls 90 percent of the legislators and Corregimiento representatives, but when worse comes to worse, the PRD has no influence on the National Assembly of Corregimiento representatives because the members were not chosen from the heart of the party. This is the kind of incongruence that has to be resolved in the 1984 elections.

Likewise, Mayin, I also believe that as of now all political parties should start working on the constitutional reforms because, although it is true that we are not going to achieve unanimity, it is important that we achieve a consensus. We must achieve a consensus on those reforms that will bring tranquility and stability to the country because, 2 months prior to 30 July, we were in a period which we might want to describe as Bolivian-style instability with cabinet changes. There have been three cabinet changes in 2 months. We also had a president resign. Mayin, there has been only one other president in Panama's history who has resigned: Chiari in 1949. The resignation of a president is not an everyday thing. Therefore, there have been earth-shattering and spectacular changes in our political life. However, we must make adjustments quickly; otherwise, we are run the risk of having a power vacuum which could be filled with forces which, let's say, are not very orderly or disciplined and which have no comprehensive vision of the things that are going to must occur in the country.

I am suggesting to the party that we must reach an agreement on how many deputies the country will have. I believe that we must elect a deputy, a parliament member of a legislator, regardless of what you call them, for each 10,000 inhabitants; they should be elected in proportion to the number of inhabitants...[Correa interrupts]

[Question] You are talking about two chambers and this seems very expensive to us. Therefore, the Assembly of Corregimiento representatives is very, very expensive. We must take a look at its budget, how much this chamber is costing the country. Therefore, for a new one like the one you are proposing, the chamber of deputies, we must take into account the number of inhabitants in this country to support two chambers.

[Bereira] There are smaller countries with more deputies and more chambers than we have. Furthermore, I am not only talking about the chambers at a national level. We would also have to think of chambers at the local level, the municipal councils. But I think that the country's tranquillity and stability is worth the expense because if we don't invest in grenades, teargas grenades and rifles, I feel that we better invest in this, in democracy, instead of investing in weapons to repress the people. The more people we have participating in political life, the better. The decisions will be better. The solutions will be better and above all, I repeat: Social peace will be more secured. These are positive investments. Those who think that these investments are burden on the budget and increase inflation are leading us directly to theories by Milton Friedman of the Chicago Economic School which, in my judgement, have been somehow used by the government recently. We in the FRAMPO believe that the country's economy will progress to the extent that all productive sectors participate and we are talking about the state, the private enterprises, the mixed enterprises and the cooperatives.

[Question] Olimpo Saez, how do the members of the PNP view the constitutional reforms that have already been accepted by the government sector? How do you view the latest changes in the administration of public affairs in Panama, such as the new president and the new cabinet? And what is your opinion regarding a military candidate or a candidate of national unity for 1984?

[Saez] Well, I don't think we can begin discussing these matters without first stating that the events of 30 July and the confirmation by General Paredes and President de la Espriella on 5 August that rectifications will be made are definitely a confession of the failure of the political process that was basically led for 13 years by the National Guard and by a group of civilians who became politically organized under the so-called revolutionary process, which then took shape as the Revolutionary Democrat Party, or PRD.

Most Panamanians regard General Paredes' announcement that rectifications will be made as a confession of the failure of an experiment: An attempt to introduce an extraneous element into the country's political life, a demagogic process that led to extremes. Like any other experiment that is not based on reason and experience, it ended in fiscal, political, social and cultural collapse.

We are not denying that some initiatives were taken in good faith during those 13 years, such as the creation of schools throughout the country and the construction of health centers, which were demanded and are still being demanded by our citizens. There was an attempt to carry out educational reform and to establish mixed enterprises. However, an analysis of the results allow us to determine whether this experiment--the revolutionary process, or in other words the political leadership of the National Guard--bore the fruit that the Panamanian people and Panamanian society expected from a government or

The nation's realities have led the National Guard to promise rectifications to the Panamanian people, and to promise that political power will gradually be transferred from the National Guard headquarters on 'A' Avenue to the presidency of the republic in 1984 through pure, clean and honest elections. This was stated and promised by General Paredes in the name of the 10,000 rifles.

Why did General Paredes and Ricardo de la Espriella make these statements on 30 July and 5 August? This was because, as Renato and Cochez correctly said, Panama's society, or any modern society, cannot exist without political parties, which are society's most authentic spokesmen. And no society can be led by technocrats or notable independent individuals; it must be led by those who essentially should lead society, that is, the political parties.

Our country could not be properly run by a few members of the National Guard general staff and a few civilians who were their subordinates for 13 long years, no matter how good their intentions were. As Renato correctly said in connection with the IRHE, electric power was previously supplied by a North American Company; and it is true, as the people also rightfully say, that the North American Company did not suspend service as the IRHE does, and that it at least gave more time to pay bills. Nevertheless, it is true that there are many Panamanians who are specialists in this field; but it is no less true that this has cost the Panamanian people huge debts that have been building and are strangling the economy of humble Panamanians and of small businesses like the Kiosks and small restaurants, which get their electricity cut off every month because they cannot pay the high rates and the IRHE must charge due to a number of loans. These loans are often contracted at the express request [as heard] of the IMF and the banks on the condition that rates be raised in order to enable the IRHE to cover the high interest rates charged on the loans. And the IRHE complacently does so because it needs the money. It raises the rates charged the Panamanian people in order to cover its obligations. Its projects are more costly every day because of inflation and the waste in which many of its project directors have indulged. The same thing happens in other state enterprises, like the IDAAN [National Water and Sanitation Institute].

This overall crisis--which is a fiscal, economic and political crisis--led to the statements of 30 July and 5 August. The PNP listed these rectifications in a communique that was not published by any of the newspapers. The PNP has said that it views these rectifications positively, but that they must be expanded in order to achieve a political solution for the Panamanian people and reach an understanding which will prevent a confrontation.

[Question] Will the FRAMPO, the PDP--whose slogan says it is the party of Panamanian Communists--and the PRD join in a monolithic coalition?

[Diaz] Not necessarily, Mayin. The FRAMPO, the PDP and the PRD hold talks and they can talk with Olimpo's party, the PDC and all other parties. We are precisely going to refer to...[Correa interrupts]

[Question] I ask because references are made here to opposition parties and parties of the process...[Diaz interrupts]

[Diaz] I do not place myself on any side, Mayin, for the simple reason that I do not belong to the process.

Much criticism can be leveled at the 505 representatives. One criticism may be that perhaps they were given many functions for which they were not qualified. However, one thing cannot be ignored in any way and that is for the first time, a Corregimiento, or a small town, has someone who concerns himself with solving its problems. This was the theme of my campaign in Los Santos Province. That is why I am one of those who contend that, no matter what happens, this structure will never be changed because it is necessary to the development of this country, to its overall development.

It is true that we have unemployment. But part of our crisis results from international economic factors that we could not have predicted. Maybe some bad investments were made, Mayin, but not the sugar mills. La Victoria Sugar Mill, and it is important that I point this out to Olimpo here, was the first sugar mill to be established in Veraguas. It was supposed to meet an economic need, that is, to break a monopoly that had lasted many years. I am talking to you as someone who belonged to the party of their group, to the Republican Party, which controlled political and economic power for a long time. Is this what we want to return to now? Do we seek a return of the powerful economic groups, which are still powerful and still have their tentacles in the government and opposition circles? Do we want to return to this past situation? I belong to the past and I say no. This is exactly why I joined the PRD.

Nevertheless, I am not a bureaucrat. The PRD has given me nothing. I have to fend for myself every day, struggling to make a living during a period of crisis. I belong to a political commission. Sometimes, I voice my doubts and misgivings, as I am doing here now. I personally favor constitutional reform...[Correa interrupts with indistinct remark] This will be discussed this afternoon at the political commission. And let nobody think that we argue very much. The PRD is not always in agreement with the government's attitudes. Not at all. [Word indistinct] that Perez Balladares [PRD Secretary General Ernesto Perez Balladares] has even had the courage [as heard] to go there sometimes to criticize and make opposite proposals. No. Even though it is part of the process, we discuss all these things within our party. However, there are realities that we must accept. I think Renato said this.

In my opinion, if constitutional reforms are needed, the mechanisms will have to be found. I do not adhere strictly to the law [as heard] even though I was a lawyer. I think that at a given moment circumstances can make it necessary to find solutions in a country. However, what indeed pleased me was the meeting President de la Espriella held with the so-called opposition parties.

[Question] Why haven't the parties of the process done the same thing, to see to unite...[Diaz interrupts]

[Diaz] Have not done what, meet with the president? Yes, of course they always do.

[Question] The parties of the process...the three.

[Diaz] What happens...[Correa interrupts]

[Question] The FRAMPO does not...[Diaz interrupts]

[Diaz] Well, the FRAMPO doesn't but the PRD does. What happens is this: One does not have to report that the PRD is meeting with the president or with the general because one can report this every week. However, the report that the opposition parties, which have been so critical, have met with the president is indeed a formidable piece of news, of propaganda. Above all, it involves a fundamental advantage. It can give us an answer as to what has happened. If you ask me if I am in agreement...[Correa interrupts]

[Question] No, I mean the party...[Diaz interrupts]

[Diaz] However, it is worth introducing the two ideas, because this was discussed within the PRD. We concluded that there are six ministers in the cabinet who do not belong to the PRD; what is worse, they do not belong to any party. There are 420,000 people registered as members of this country's political parties; the PRD has 180,000 registered members. Logically, from the standpoint of the PRD, one would think that it has enough people to fill those cabinet positions.

CS0: 3010/2257

PEOPLE'S PARTY SECRETARY GENERAL INTERVIEWED

PA270314 Panama City LA REPUBLICA in Spanish 23 Aug 82 pp 31, 14

[Text of interview with Ruben Dario Sousa, secretary general of the People's Party, during the "Studio One" Radio Program with Jaime Paz, Gregorio Quintero and Program Director Alfonso Zamora Valdez; date and place not given]

[Text] Studio One: Following the resignation of former President Aristides Royo Sanchez, do you think a new political situation has been created in Panama:

Sousa: Regarding this, our party and other progressive forces in Panama view the situation ever since 1968, when the military sector began to have a political influence in the country through the people's power, as a process of democratization and national liberation. The acceptable components of this process lay on the 1972 constitution and the social policy of the Panamanian state which has responded, in these last 14 years, to General Torrijos' goals and ideas, to the evolution of the Panamanian state, to a democratization with the participation of broad and diverse forces, and to Panama's foreign policy which has had very particular and precise characteristics during these years. An example of this policy is the decentralization of our country which resulted in the Torrijos-Carter treaties, its policy of nonalignment and its adhesion to the bloc of nonaligned countries.

Today Panama is a sovereign state that has proven its legitimacy as a country and independent nation. Other evidence is that during this period Panama has paved the way for economic independence. It is precisely in this period when the groundwork for national industry was laid. This is what we could call the consequences or the effects of a situation that has been created during these 14 years of the process. Therefore, I believe that there has been no change. However, we have always noted that this process had stagnated in the past few years. We have defined this stagnation as follows: During this period of achievements involving the Panamanian society, de facto situations were created. We see these situations as the groundwork for the formation of a society that can pave the way for prosperity, independence and democracy. But this stagnation stems from the fact that the changes remained promises, potential situations or better yet, potential factors which have not been consolidated into laws for the country. I can point to the case of the peasant settlements and the changes in the Panamanian agricultural sector. These are potential changes

that have remained de facto situations and never became law such as an agrarian reform law. We could also refer to other aspects of our country's development which are de facto developments.

The crisis of this process, this stagnation, was reached by approving changes on the one hand and rejecting them on the other. Regarding this, the process has been facing a series of critical moments which culminated in the death of General Torrijos because, although it is true that Torrijos inspired a good portion of the Panamanian people and mobilized decisive forces to begin basic transformations in this country, General Torrijos didn't have enough time to consolidate these transformations, moving from theory to a clear and precise program. General Torrijos died at the precise moment when he was thinking of these prospects within the framework of a social policy.

One of the first problems faced was that, because of Torrijos' personality, his death left a vacuum which is not easy to fill because you cannot produce notable and illustrious personalities like that of General Torrijos. Therefore, his death created a vacuum of leadership and power. This posed a question and presented a dilemma: Should Torrijos' process continue or not?

We can then say that this leadership crisis caused by Torrijos' death culminated in President Royo's resignation. Aside from the real and profound causes of this resignation, it cannot be avoided or ignored that the process is suffering from a crisis of power, leadership, elite, command and authority.

Studio One: Does this mean that the People's Party, PDEP, remains within the process?

Sousa: Rightly so. We have supported all measures in their essential aspects. This means that in certain formal cases, particularly when it comes to implementation, we have not been in total agreement. However, regarding the effects of the adjustments that are underway, we feel that these effects are secondary. They are problems which we must continue to discuss with the other forces of the process in a climate of constructive friendship so that we can not only achieve a consensus on the main idea and the objectives but also in the ways, the methods and even the styles in which to do things.

Now, in adjusting the country's policy and making it more comprehensive, new conditions for understanding and for the mobilization of forces--and because of the historical nature of these forces, they must become the driving force for development and our country's independence--must be created.

Studio One: Well, you have practically answered the second question which was about the PDEP's contribution in ideas and actions. How then do you view the country's political future and the participation of the National Guard in the life of our nation?

Sousa: We cannot ignore the National Guard's development policy which has been in progress since 1968 because the guard seized power in 1968 it displaced certain forces, like the Panamanian oligarchy, which had led the country to political and moral bankruptcy. The National Guard won itself the historical role of participating in the formation, development and prosperity of a

country which had been fighting for the past 150 years for its people's identity and to become a nation charting its destiny.

The National Guard's belligerent role--as long as it respects the laws and always remains on the side of the people--is another force that joins the forces of the Panamanian revolution. The National Guard has had a place in the transformations and we respect this position as long as the National Guard continues this progressive attitude, respectful of the people's rights and obedient to our country's destiny. We feel that the National Guard must increase its role in the future and must have a new political quality.

Studio One: You are also bringing up a fourth question. You mentioned a national understanding. I would like to ask you what conditions will the PDEP support in this national understanding? There has been talk about revising the labor code and the housing law; in other words, there has been talk about revising almost all the achievements you mentioned as people's conquests. Then, for the PDEP to sit and discuss the country's peace, what are the requirements requested or demanded by Panama's Communist Party?

Sousa: Based on the national understanding or the national unity, to call it by its right name, because it is not unity for unity's sake or an abstract understanding; it is the case of a consensus, an agreement--which is, I believe, the best term for it--of forces with different social origins. [Sentence as published]

Our Panamanian people have a very keen interest in this national consensus. It must be reached on the basis of participative democracy; in other words, it calls for the presence of all social groups that have a right to participate. This means that, contrasting with what occurred in the country prior to 1968, the government elite is not the only force entitled to rights; these rights must be shared in the proper proportion by all the social forces.

We have always supported the idea of the people's power, particularly the assembly of Corregimiento representatives, because it has so far guaranteed the participation of all social classes in our country. It is not true that the previous National Assembly guaranteed this kind of representation.

Therefore, a national understanding must be based on the development of this democracy which is what the people want and not the democracy of the rich or the privileged because that kind of democracy only safeguards the rights of that limited class which held political and economic power up until 1968.

It is shameful that after the Yankee army repressed the Panamanian people who were justly demanding the return of the Canal Zone on 9 January 1964, while the masses were still in the streets and the Panamanian Government explained its problem to the OAS and the United Nations charging that the United States had intervened in our affairs, a month later, the Panamanian Government was begging for the withdrawal of this accusation. This is a fact, an aggression our people suffered. Washington's wish to make the Panamanian people retract their charge was imposed. We can also mention many incidents to prove the subjection of our country to Washington's policy. Therefore, this new understanding must see that these shameful incidents for our country must not be

repeated. Therefore, we support the nonalignment policy proclaimed by General Torrijos.

Studio One: To conclude, would you like to add anything to this feature on Panamanian political thought in 1982, a testimony for history? As we told you in the beginning, we are going to publish this and will compile it in a small book that will be "Studio One's" record of these interesting and important moments in our homeland.

Sousa: All the subjects we have discussed here, based on your questions, are a specific part of a period which will culminate with the 1984 elections. The problem is that in 1984, the continuity of the Torrijos process will be put to test because power will have to be renewed through the popular elections. The circumstances that surround these elections will put the Torrijos line and process to the test.

We must reach an electoral understanding that can pass the test posed by the 1984 elections because the government elected in those elections will depend on it. Therefore, our party emphasizes and poses as a top-priority problem the need to reach an electoral understanding with all the forces of the process. We believe in the need for a single candidate independently of the turn of the elections for local representatives or provincial representatives for the National Legislative Council. All the forces of the process must go to the elections with a single presidential candidate and this will determine the nature of the government that will continue after the 1984 elections.

CSO: 3010/2257

PDC REACTS TO PAREDES' RESIGNATION LETTER

PAGE 011 Panama City LA PRENSA in Spanish 6 Sep 82 p 4

["Memorandum to all Panamanians" issued by the Christian Democratic Party in Panama City on 5 September 1982]

[Text] The Christian Democratic Party [PDC] political committee, meeting in special session on Saturday, evaluated the country's situation in connection with reports on a letter by General Paredes in which he placed his position as National Guard commander in chief at the disposal of the president of the republic, after completing the years necessary for retirement.

Such reports, once again surprising and unjustifiably dramatic, have elicited very conflicting interpretations. While some believe that this is another involuntary removal, others believe that it is a means of negotiating an extension in the National Guard command.

The procedure used, coming in the course of the most important military operation conducted by the National Guard, points to a contradiction. Instead of guaranteeing our tranquillity, especially at a time when Central America is convulsed, thus contributing to our economic recovery, this kind of action heightens the country's insecurity and hinders its development as a result. Our current instability, characterized by a lack of truly democratic institutions, results in good measure from the political role that some insist on attributing to the National Guard, as well as from the lack of normalcy in the country's domestic life.

It is essential that the National Guard adopt a fully professional stance, removed from any political struggles. This is why we are reiterating our oft-repeated proposal that the National Guard should have an organizational statute that is regulated by the Constitution and by the Military Career Law. This statute would define our armed institute's specific functions and would regulate the conditions for recruitment, promotion and retention within it.

Overall developments suggest that despite its explicit contents, the purpose of General Paredes' letter is to negotiate an extension as commander in chief. Should this be the case, and given that the General has not, once and for all, dismissed any aspiration to a presidential candidacy, a second contradiction

would arise. The very civilian and military authorities who have promised to accelerate democratization, would in fact be placing obstacles in his path. They would, indeed, be making it possible to negotiate a candidacy from the commander's office until the very last moment, with all of the traditional negative consequences that this would entail for both the country and the National Guard.

Whatever the circumstances, the PDC feels it is necessary that the promise to bring about a rapid democratization be fulfilled without delay, beginning with the integration of the new electoral tribunal and the introduction of important constitutional changes. It is also necessary that the investigations already underway or to be initiated in the future in connection with cases of administrative corruption be continued until the final consequences. We also affirm our conviction, expressed on several occasions, that whoever is in charge of the National Guard command should irrevocably reject any desire to be a presidential candidate. Only in this way can he promote respect for the National Guard in all of the people, through his exclusive dedication to that institution's tasks: In other words, through his dedication to the nation's security, which is essential to its development, and in full obedience to the state of law and the authorities who are chosen by the people in truly free elections.

For freedom and social justice, together, we are the majority.

[signed] Dr Ricardo Arias Calderon,
President of the PDC

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PARADES' 'FARCE' SAID TO HURT GUARD CREDIBILITY

PA071544 Panama City LA PRENSA in Spanish 7 Sep 82 p 1A

[From the "As of Today" column]

[Text] The comedy has ended in the predicted manner. The strange military sense of honor has been satisfied by the president's declaration heeding a prior decision according to which Paredes should remain as commander of the National Guard. This is a comfortable and easy expedient that enables a third party to release the person who made a promise from keeping the word he gave to the country. The farce, however, has turned out to be too obvious. No act of magic could convince us that in a mere 30 days the arrogant commander who made obligatory suggestions to the person who 30 minutes earlier had become president of the republic has turned into the respectful citizen who, abiding by the law and his word, places his post as commander at the disposal of the chief of the executive branch. Paredes himself recently reminded the country that power lay with the National Guard and that he would not return to the palace of the Herons until 1984, presumably as president. Now that he deems it suitable for his very personal ambitions, he resorts to the same president whom he previously scorned so that, using his forgotten powers, that president will retain him in his post. Although suitable to Paredes, this comedy has intensified the credibility crisis currently affecting the National Guard. For this reason, as long as the country's democratic hope depends on the military sectors' fickle promises, instead of being based on solidly structured institutions, all Panamanians, both civilian and military, will continue to live in a state of permanent anxiety.

CSC: 3916/2278

DE LA ESPRIELLA'S SOCIAL SENSITIVITY PRAISED

PA031532 Panama City LA PRENSA in Spanish 1 Sep 82 p 6A

[From the "Without Rhyme or Reason" column by Mario J. de Obaldia]

[Text] Exactly 1 month after Ricardo de la Espriella assumed the presidency of the republic, we had the impression that something had changed in Panama. We confirmed this last night when the television showed us scenes of the swearing-in ceremony of the new social security board of directors. We observed in the words of the president of the republic that the haughtiness that characterized the pronouncements of Royo had been replaced by the simple humility of a man who--at least yesterday--showed a profound social sensitivity and a sincere concern over the fate of the less fortunate. The words of de la Espriella would never have been pronounced by the Salamancan, and his tone would have never emerged from that throat, with or without laryngitis. That in itself is something we may describe as positive in the changes that, although slowly, have been taking place in the past 31 days.

To me, much more significant than the position adopted by the government in the scandalous robbery of the social security funds, much more profound than seeing justice determined to enforce the laws that indicate the treatment that should be given to those guilty of crimes against public assets, were the words of the president when, more or less, he declared: "It is time for those entrusted with public administration to realize that the assets placed in our custody are not ours, that we are not the masters but the servants of the state." How long had it been since Panamanian rulers had fotten this, and instead showing in their actions that the republic belonged to them and their buddies? A long time ago. I would even dare say that many youths in high school today were led to believe, seeing the behavior of the mighty ones, that we were living in a sort of monarchy. Fortunately the new president appears determined to get back to reality--I hope he will not deviate from his ways later--and has shown his interest to return to the paths that his predecessors had lost.

I must point out that to me the words of the new attorney general were also most comforting. The new official spoke without demagogic poses or ostentation or male chauvinism; in fact, the attorney general, Rafael Rodriguez, was quite cautious in his pronouncements. In his words we sensed the certainty that he and the prosecuting attorney, Mister Cuestas, will strictly abide by the law--

to the natives of Chiriqui it must be satisfying to know that both were born in that proud province and that they shall honor it--and that in their behavior there will be no hesitation resulting from chumminess or pressures from the mighty. It was high time to put an end in Panama to this stampede of thievery, embezzlement, and lack of honesty. It was high time that the punishment of the guilty serve as a warning to those who feel tempted to imitate them.

The social security scandal is only the beginning of the struggle for the recovery of decency and honesty. Later will come the investigations of Codemin (Cerro Colorado Mining Development Corporation); Cofina (National Financial Corporation); Ifarhu (Institute for the Training and Use of Human Resources), where Paulino Romero has already started cleaning up operations; MIVI (Housing Ministry), which is not out of the frying pan; and some others which if I tried to enumerate them would leave me without space in this newspaper. To conclude I still reiterate that, in my humble opinion, President de la Espriella has scored a hit, and he must be given credit for it.

(NO: 3010/2278

GOVERNMENT EXCLUDES PRD, SAYS FORMER GOVERNOR

PA310508 Panama City LA PRENSA in Spanish 30 Aug 82 p 1

[Article by Luis Estribi]

[Text] Dr Secundino Torres Gudino, former governor and university professor, said in an exclusive statement for LA PRENSA that "this new government has excluded PRD [Democratic Revolutionary Party] elements from almost all its decisions. The idea is to exclude the party founded by Omar Torrijos from all organized participation."

Commenting on his recent removal from the post he held, Torres Gudino pointed out that "the idea was to penalize a faithful individual who had been identified with the group that ruled before 30 July."

Further on, the controversial professor, who has been bitterly criticized by some on account of a radio program he used to host on the government's radio station, stated that "we have a cabinet without any popular PRD base. That circumstance must of necessity be transitory if the process seeks to face an organized opposition--since these parties have repudiated the government--with a likelihood of success in the next election."

Speaking nonstop, Dr Torres topped off his statement by saying that the PRD "has something to tell the country, since its leaders remain silent in a way that is contrary to the historic interests of the revolutionary process. The PRD must say it is helping a government that despises it, and it must tell the country that it is neither linked with nor responsible for a regime that excludes it."

Torres Gudino challenged General Paredes' "recommendation" that the provincial governors should resign in order to leave the new president free to choose his associates, arguing that the president is the only one with the power to appoint governors. These officials are appointed and removed exclusively by the president.

He added that "what happens in this country is that there is abominable subservience. Many people not only hasten to try to do what the headquarters requests, but even what the gentlemen on 'A' Avenue think."

CHRISTIAN DEMOCRATIC 'IDEOLOGY' ANALYZED

PA291630 Panama City DIALOGO SOCIAL in Spanish Aug 82 pp 13-1

[Article by Raul Leis: "The Christian Democratic Illusion"]

[Excerpts] The Christian Democrat [DC] ideology generates and strengthens a political movement that has become part of bourgeois society, without necessarily being a movement of the bourgeoisie, although it comes very close. It bases its activities on reforms, above all, of the legal apparatus and some slight economic and social changes that reinforce the very capitalist system so frequently condemned in documents issued by the church that call these activities selfish, exploiting and part of the "international imperialism of money."

Social Christian thought is inspired by the Catholic church's social doctrine which is its main ideology. In it the common good is identified with the so-called "natural right" to private property that must be responsible or have a social contract. This makes the capitalist relations of production seem legitimate; for the reason the socialist or leftist movements seem illegitimate since they rebel against God and are therefore "intrinsically perverse."

The consensus that society needs to function is achieved on the basis of order and of respect for all citizens' legitimate rights to property (but not to satisfy its basic needs). The social function is understood as the transformation of the means of production to capital, in other words, capitalist efficiency. For this reason, in some countries and stages they confronted, relatively the latifundium system because it was unproductive and antiefficient but not because it was exploitative.

They also advocate and struggle for freedom of opinion, but they do not favor freedom of choice, that is, the freedom to choose and participate in actions and have political ideas that they consider terrorist or subversive. For the DC, a one who politically questions private ownership of the means of production, does not respect the legitimate fundamental rights of all the citizens (although the majority of these citizens is enslaved to these means) and, therefore, breaks the consensus, becoming an irreconcilable enemy of the DC.

These ideological positions are clear in the communiques of the Christian Democratic Party, PDC:

On Capitalism

"The opposition parties...demand a climate of stability for domestic investment." (Manifesto to the country 21 October 1981).

Support for the Reagan Plan

"An economic cooperation plan for Central America and the Caribbean should be suggested to international financing organizations and developed democratic countries."

Defense of Traditional Parties (Which in the Past It Called "Greedy" and "Opportunistic"):

These have been "years of slander" against the traditional parties. (Manifesto of the country, joined issued with the Nationalist Republican Liberal Movement, Molirena, and the Popular Nationalist Party, PNP, on 31 October 1981).

Anticommunism:

The government is "in favor of communist doctrines;" on several occasions it has committed itself to the Cuban interventionist policy in favor of Marxist-Leninist guerrilla groups (The David Manifesto, 31 January 1982).

It is also explicit in the PDC's "Declaration of Principles" with which it was registered and which considers the people "a plurality of social sectors" instead of considering them all sectors exploited by the dominant classes. It identifies "representative democracy" with the bourgeois democracy. It reaffirms "private property with social function," and suggests "cooperativism" as an economic solution.

Seminars are the great mechanism for the reproduction of ideologies. Sponsored and financed by the West German Konrad Adenauer Foundation of the FRG Christian Democratic Union, some 10 years ago, the PDC organized the Panamanian Institute of Social Studies, which later took the name of Panamanian Institute of Communitarian Studies and is currently known as the ECAM Foundation [not further identified] and "Program of Democratic Development" directed by Ricardo Arias C., the PDC's current president. Seminar are held throughout the country and are aimed at establishing basic organizations, women's and PDC youth fronts. The party also holds meetings with members of other political parties, such as the ones in David, Santiago and Penonome in 1979.

The Strategy: Achieving Power, No Matter With Whom

The PDC strategy is obvious in its platform and public statements. It presents a national crisis picture in which the only ones responsible are the members of the present government. They try to sell the idea of unity ("together we are majority") not with popular, anti-imperialist and revolutionary forces, but with traditional parties and the nontraditional ideological spokesmen for local and foreign dominant classes. A struggle to seize power based on the "restructuring of institutions and democratic changes," and a new

"international policy of solidarity with democratic countries" were established. In other words, this means to support the Salvadoran junta and to attack the Sandinist revolution, for example.

With the "direct election of the president of the republic and of congressmen under the principle of proportional representation" we would return to the traditional assembly of deputies, giving the national guard a professional and nonpolitical role.

Regarding the popular sectors, the PDC mentions the peasants in its program but says little or hardly anything about the workers. For the peasants it seeks "to obtain the property of adequate lands" and "to free the settlements from partisan and ideological manipulation" replacing the "collectivist" forms with "cooperatives," thus showing that the times of demagogic views on agrarian reform have passed into history. They are trying to obtain a social base among the minor rural bourgeoisie that with the middle class and business sectors, constitute the PDC's traditional electorate.

At the economic level, the PDC's strategy does not question the economic model of dependency and transnational services which characterizes Panamanian society. Instead, it proposes to reinforce this model and to promote a complementary modernization in the nation's economy with that model of domination. All this is placed in the framework of the German model of "social market economy" which was presented in Panama to the other opposition parties of the right at a seminar on 22-23 October 1981. The seminar was financed by the Adenauer Foundation "to unify economic views." The model represents:

Absolute individual economic freedom;

Lack of price control measures in the market established by the laws of supply and demand;

State guarantees of competition in the market;

Private sector agreement to grant "social benefits" to the workers.

In other words, it is a model which does not question the vital center of the nation's economy and which is suspiciously similar to the views of the "Chicago Boys." [Phrase in English]

The Tactic: Infiltrate and Manipulate

It had to be a meeting of the Lion's Club of Panama (6 June 1979), that the PDC through Arias Calderon, set forth the guidelines of its tactic to win the support of various sectors:

"Whatever the particular motives for initiating activities to obtain justice, we must always insist on the institutional implications and not give in until some progress is made in the democratization process.

"The justice-seeking activities of a group should receive the support of other groups and petty disagreements among the groups should be avoided.

"During the process of the justice-seeking activities, statements should be more explicit, without euphemisms...and the actions should be increasingly more direct and to the point."

The tactics aimed at various sectors are seen in this manner:

Workers:

The Isthmian Workers Central, CIT, is the PDC's workers front, and it maintains, despite its small size, an aggressive campaign of accepting other labor organizations, even using union parallelism as in the case of the Pacific Banana Corporation in Chiriqui in 1980. The CIT is affiliated with the Latin American Workers Federation, CLAT, formerly the Latin American Federation of Christian Trade Unionists, CLASC, regional branch of the World Labor Confederation, which is headquartered in Belgium. It has definitely contributed to the division of the National Council of Organized Workers, CONATO, and it is led by Rolando Ordonez.

Students and Youth

The PDC has restructured the PDC youth at a National Congress in Penonome. At that December 1981 congress, Mario Rios was elected secretary general. The party is now organizing groups of college and university students who are absolutely committed to PDC's political views.

Women:

Since Elsa de Garcia and Otilia de Tejeira tried to organize a women's opposition movement in 1978, this work has been increased through the women's branch of the PDC.

Educators:

In a communique issued on 26 September 1979, the PDC "without euphemisms" of supporting the "teachers in their aspirations and of supporting all those sectors struggling for the rejection of the educational reform." In another communique issued a month later, says "this is the teachers and doctors great lesson." The PDC is currently holding seminars through the ECAM for this sector.

Lawyers:

A large number of PDC leaders are lawyers; 40 of them supported the candidates to the Panamanian bar that won in 1978. The PDC has great influence on the Panamanian bar.

Clubs:

The PDC leadership, because of its class characteristics, approves of civic clubs (Lions Clubs, Rotary Clubs, etc) where they feel at home. Willie Cochez believes that these groups, together with professionals, "have been able to stop the totalitarian offensive" of the educational reform and that they, acting

"ingeniously" have also prevented the "imposition" of the family institute." Cochez has written an article entitled "The Lions Roar Again" where he says that the roars will continue to be heard (LA PRENSA, 25 February 1981). The PDC's affinity with these clubs is not surprising since the party has issued communiques scoring the 1981 general salary increases and calling them "demagogic irresponsibility" that instead "of promoting accord...encourage the class struggle." The party ignored the fact that the small salary increase secured was dragged out as a result of the workers' struggle and pressure on the government and businessmen.

In the field of political alliances, the PDC ceaselessly meets to coordinate and guide the opposition. It signs joint communiques with everybody. It organizes dinners and seminars and repeatedly bows to Dr Arnulfo Arias as it did in the 1978 Panamenista Convention when Cochez proclaimed that "Dr Arnulfo Arias is in our hearts today." This tactic worked well for the PDC and it won Panamenista votes in the legislative elections. PDC leaders also believe they can be the political heirs of the "leader" and thereby attain the beloved political power that cause Duarte to taint himself with the blood of thousands of Salvadoran patriots.

The 'Heads' and 'Brains' of the PDC

If we take a look at those who registered the PDC in 1980 at the electoral tribunal, it is easy to do an elemental classification. Of the 13 people who participated in the registration, 10 are from the upper middle class (6 attorneys, 3 professors and 1 architect), 2 are businessmen and 1 is a worker. Regarding their residences, 10 of them live in high-income neighborhoods, 2 in middle-income neighborhoods, and 1 (the labor union fellow) in a people's neighborhood.

Many PDC leaders are members of exclusive clubs and of business organizations such as the Chamber of Commerce. Others hold important posts in the international Christian Democracy. Most of them are the founding leaders and there has been no renewal among cadres who have evolved together with (or faster than) the theoretical and political positions of the PDC ideology. From here on down, including middle-level and rank-and-file leaders, the PDC is comprised of many confused people without political alternatives who, indoctrinated, believe that the PDC is a "national salvation" project.

CSO: 3010/2257

LEGISLATION COUNCIL TO OVERSEE STATE RADIO

PA311542 Panama City LA PRENSA in Spanish 27 Aug 82 p 8C

[Text] A spokesman of the National Legislation Council yesterday said that the State Radio Broadcasting System--which began operating as Radio Libertad and today is called Radio Nacional--will be under the jurisdiction of the National Legislation Council. In addition, he said, the government's educational Channel 11 will be required to transmit the regular and special sessions of this legislative body.

He announced that the transfer of the state-owned radio to the legislative council will officially take place next week, following the approval of Bill 90, which already has the support of the majority of the legislators, both in the government and opposition groups.

He said the following in referring to the bill: "The frequency and radio equipment belonging to the State Radio Broadcasting System, which are presently used to operate Radio Libertad and its affiliated stations, will be under the jurisdiction of the National Legislation Council." The bill's second article states "that to operate the radio station the National Legislation Council will have the same budget allocation that the station now has."

In addition, and according to the bill, Radio Nacional and all other state-owned media, including educational Channel 11--which is a government institution--will be required to broadcast daily the sessions of the National Legislation Council, as well as the sessions of the National Assembly of Community Representatives.

The radio or television stations are obliged to broadcast the proceedings of the National Legislation Council and the National Assembly of Corregimiento representatives, since Article 20 of the bill states that "The stations' public relations departments will be in charge of the transmission and reporting."

Government and Justice Minister Justo Fidel Palacios attended yesterday's session at the invitation of legislators who told him they were concerned over the fact that Radio Libertad has not been broadcasting the sessions of this legislative body.

However, the answer was given by Danilo Caballero and Engineer Emerito Nunez, who said that this decision was made because it was necessary to make technical adjustments to the equipment which, after 11 years of uninterrupted use, had deteriorated considerably.

In this respect, Christian Democratic Legislator Camilo Franceschi pointed out that these repairs should have been done when the assembly was in recess, not this month.

Franceschi then asked why last week's session for the election of the vice president was broadcast, to which the representatives of government radio replied that this was due exclusively to the enormous importance of the event.

CSO: 3010/2257

JAPANESE BANK OFFICIAL ON NEW ISTHMIAN CANAL

PA310207 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Aug 82 pp 1, A14

[Excerpts] (Atsushi Muramatsu), manager-director of the Industrial Bank of Japan, yesterday attended the inauguration of that bank's local office in Panama City. He said: "I understand that there is no specific cost study at the moment for the construction of another canal through the Isthmus of Panama, but there is a growing interest in a project of this nature."

(Muramatsu) added that "both private and government sectors continue to be interested in the project. It is still too early to talk about the possibility of another feasibility study for the project, as Japanese financial participation would be a long-term transaction anyway."

However, he added, the Industrial Bank of Japan is one of the institutions most interested in promoting this project, and consequently it has been working with both sectors to determine what help can be given to the project.

The Industrial Bank of Japan, Ltd, was founded in 1902, and it is one of the oldest and largest banks in Japan. Its current assets amount to \$63.99 billion, and it is considered the 20th largest bank in the world.

In Latin America, the Industrial Bank of Japan has offices in Mexico City, Sao Paulo and Rio de Janeiro. It is also a shareholder of the Latin American Export Bank, whose main office is in Panama City.

In concluding, he said that this bank's international transactions include the financing over medium and long terms of large industrial projects. It also finances projects for the exploitation of natural resources, as well as imports and foreign exchange transactions.

CSO: 3010/2257

BRIEFS

GROUPS DENIED PARTY STATUS--The electoral tribunal has confirmed that the Republican Party, the Agrarian Labor Party, the Nationalist Revolutionary Party [as heard], and the Workers Socialist Party have not gathered enough votes to qualify as legal political parties. [PA021432 Panama City TELEVISORANACIONAL in Spanish 0000 GMT 30 Aug 82 PA]

RELIGIOUS SECT VISA RESTRICTIONS--Deputy Government Minister Jorge Lee said today that Panamanian authorities are restricting entry visas to members of religious sects who may violate the law. The official stressed that there are frequent complaints about members of some sects, generally led by foreigners, who refuse to honor national symbols, disobey the authorities, ignore health regulations and use physical and moral pressure to demand monetary contributions. The Immigration Director Maj Pacifico Saavedra (Ret), said in turn that a mechanism has been recently created whereby visas are granted according to the declared objectives made by the sect leaders. Major Saavedra added that religious groups mainly interested in making money have been coming to Panama lately. [Text] [PA311848 Panama City CIRCUITO RPC Television in Spanish 1715 GMT 30 Aug 82]

CSO: 3010/2257

PINTO: 'MAS SHOULD RECTIFY'

Caracas EL NACIONAL in Spanish 7 Aug 82 pp D-12-D-13

[Political ad by Tirso Pinto, MAS deputy secretary-general]

[Text] Venezuela is living through a period of great disorientation. Confusion is general. The country has no goals and is drifting, under the direction of incapable and irresponsible political leadership. The country is squandering and wasting the resources provided to it by oil and much of these resources are going into the pockets of the economic groups which have organized themselves to divide up the biggest slice of oil revenues. Not only are we squandering the revenues of the present but also those of the future: the national mortgage is expressed by an extremely large foreign debt, the service of which already consumes one-third of the budget. The ability to contract foreign loans has been cut off. Inflation has reduced the wages of the workers and unemployment has hit more than a half million Venezuelans.

We are buying abroad over 60 percent of the food we consume, in the process subsidizing the agricultural economies of other countries, while our own is at rock bottom. Corruption is converting the state enterprises (over 60 percent of the industrial sector) into drains for oil income.

The social crisis has burst upon the scene of several crowded and chaotic cities where crime and insecurity abound. Malnutrition and hunger are decimating over 2 million children in a population which is growing at a frenzied pace and which it is estimated could rise to 25 million in the next 10 years.

The loss of cultural values which give identity to a country is increasing daily, under the deforming impact of powerful mass media in the service of a consumer and transculturizing commercial and publicity apparatus.

The younger generations lack moral reference points, as they are rejecting manipulative political leadership and taking refuge in apathy, indifference and even cynicism.

Most of the populace finds itself defenseless in the presence of a monopolistic industrial economic structure which manipulates prices and reduces wages as it pleases. Administrative and political corruption have been "democratized," reach all levels of the public administration and have invaded the territory of private enterprise, particularly the financial sector.

We do not need to mention the chaos in education and even less the frightening and degrading episodes in the health sector. Thousands of young people are having difficulty getting married for lack of housing. And if we consider the thousands of unhealthy dwellings throughout Venezuela, to be housing, we have reason to be ashamed of a country which for one-half century has received and squandered a lot of money without being able to give its people decent housing and its children adequate nourishment.

This national chaos is aggravated because the wellspring which has nourished the economy is beginning to dry up: Venezuela is a declining oil country. The situation is also being aggravated because the capitalist industrial economic model is stagnated.

The structure of state enterprises is not producing revenue but rather losses and the food deficit is growing daily. The political leadership which serves as the foundation of this oil economy model has no solutions; and, therefore, has also entered the crisis. The convulsions of the AD [Democratic Action] and COPEI [Social Christian] parties exemplify this truth.

However, what is most serious and regrettable is that the parties proposing social change also do not have the answers to the current situation. Because of this, they have lost contact with the country, have wrapped themselves up in their own internal realities and have also entered the crisis.

Failures in the search for unity of the revolutionary forces are attributable to the lack of answers and solutions to the national crisis. A left which is accustomed to living on theoretical generalizations, at a time when the country's situation calls for concrete proposals, is disarmed and impotent, confused and disconcerted, without the capacity to orient itself and even less the nation.

This political insufficiency, inherent in all the forces of the so-called left, is the basis of its tactical mistakes, as its lack of premises founded on the country's realities makes it unable to find suitable ways to achieve its unity.

The MAS [Movement for Socialism], everything considered the most developed force in the leftist camp, has not escaped this inadequacy, which is responsible for its stagnation in the last few years and its current setbacks.

An Erroneous Policy

Specifically, as an answer to the symptoms of stagnation observed in the party as early as 1976, several internal currents of opinion have made their appearance in search of different ways out. One of these currents was leaning toward an accommodation in the institutionalization of the system and has been proposing ever since the need for a "probationary period for the government" as a way of opening doors for the movement.

That current of opinion bases its tactics on the occupying of positions in the institutionality of the system to advance on the basis thereof. Instead

of a direct relationship with the people and an effort to organize them, they are calling for publicity, "public relations," window dressing and the political limelight.

On the other hand, the so-called "Teodorist faction" which sprang up saw the solution to the party's slow advancement in strong personal leadership, bordering on a military dictatorship. The efforts of this faction to impose itself in the directorate have plunged the movement into a bloody internal struggle which has practically dismantled it.

The discrediting, liquidating and sidelining of opponents and the use of equalizers to secure positions in the directorate destabilized the leadership nucleus. With the destabilization of this nucleus, there was a proliferation of factions and the ties with activism were weakened. Entire sectional units disappeared, beginning with the MAS youth group. Valuable cadres were discredited; the expedient of obtaining adherents through flattery and the offer of positions was resorted to; terrorism and the harassment of those who did not share the beliefs of that faction were instituted; and internal democracy, the fundamental basis of the MAS, was eliminated.

At the same time, the Teodorist faction was pressing for a sectarian and powerful policy exemplified by the cult of isolation and contempt for other leftist organizations thus breaking with another basic postulates of the MAS: its convergence concept.

All this was done in the name of the need "to leap forward." Pursuant to this logic, it was necessary to review Rangel's candidacy, which, according to this criterion, did not promote that kind of advancement. The 1978 election results, in which voter growth of less than 1 percent compared with 1973 was noted, accentuated the fervor of the partisans of the "leap forward" and committed them to a knock-down-dragout battle to shatter the "last obstacle" in their path: the Jose Vicente-MAS connection.

According to the authors of this policy, once that connection was broken, the leap forward would be obvious. The MAS would coalesce around a candidate of its own; the forces of the party would increase; and the unity of the left would be built around him.

Based on these sound proposals, the party directorate was called upon to break the Jose Vicente-MAS tandem; however, the expected leap forward was not produced.

The Primaries Process

It was entirely clear that the Jose Vicente-MAS tandem was the fundamental basis of unity of the left. Had that tandem been maintained, unity would have occurred automatically and the MAS would have been its natural center. With the shattering of that connection, a process of divisiveness was initiated, which the left attempted to eliminate through primary elections of the left that proposed four candidates.

So long as there was the illusion of the primaries, the devisionist process was contained but not eliminated. When that attempt failed, we found ourselves facing the harsh reality of a divisive process which is at the point of ending. If division takes place, the present left will lose its capacity of being an option vis-a-vis the two-party system, which would consolidate itself like a chronic disease in Venezuelan society.

The absence of a democratic option and the consolidation of the incompetent and politicking two-party system could open the doors to an option of the gorilla [as published] right. Our primary responsibility is to keep Venezuela from having that kind of future.

There Is Still Time for Rectification

We do not believe that the electoral division of the left is fatal. There is still an opportunity, and that opportunity is in the hands of the MAS. To this end, we need a rectification of the election policy which we have already described. To demand this rectification is not to go against the party or its candidate. It is the only way to defend the movement and its program.

There are objective bases for the rectification of that policy: in the first place, the MAS has not taken the "leap forward" hoped for by those who designed that strategy. On the contrary, the loss of public opinion, according to the polls, is obvious: from an acceptability percentage of 20 on the part of public opinion, we have dropped to 6 percent at present.

In the second place, the candidacy has not even reached the acceptability level of the party. On the other hand, the first-round candidates of the parties were conceived as an integral part of the primary elections of the left. As these elections have not materialized, the party candidates are subject to reconsideration. In that regard, the first-round candidates of the other parties have reiterated their positions with respect to seeking new ways to unity.

Therefore, we do not understand why the MAS first-round candidate is the only one they refuse to confirm, advancing as an irreversible fact the impossibility of a single candidate.

We feel it necessary for the unity of the left and the preservation of the MAS itself to take exception to that attitude. We see no benefit in the continuation of a policy whose results indicate that it is erroneous. All the more so if the dynamics of division affect the MAS organically, because by giving the grass roots and periphery the alternative of choosing between two candidates who have been intimately linked with the party and its program we force the voters to select one or the other, automatically producing a division in the ranks of the MAS itself.

However, rectification of the election policy which is unconnected with a rectification of the attitude vis-a-vis the country would not be enough.

the national crisis we described at the outset calls for a different policy than the one now being promoted by the movement. Getting out of the morass of the left and looking at the country "face to face," in line with one of its initial watchwords, could enable us to recover the "appeal" [angel] of the MAS, its political space in the country and establish broad communication with the different national sectors, breaking the blockage to those sectors and reclaiming our amplitude and convergence with them with a view to placing ourselves in the center of a great movement which will reorient the country and give it hope of profound change.

To do this, we must reject the policies of compromise and obsequiousness vis-a-vis the oligarchic sectors. We must seek the force for change in the people and not in those sectors of power, which we must confront decisively.

We must reject the proposition of those who see a "probationary period" in the government as the best way to get ahead. That probationary period would be served as the tail or appendage of one of the sectors of the two-party system, not in the application of a program of serious changes but rather in patching up an economic-political system that is taking on water. If this faction were to prevail, the MAS would become the third leg of the system and the right would have scored its most important political victory. Flirtations with the top Calderist leadership of the COPEI and with sectors of the AD leadership, along with weakness in the exercise of opposition to Luis Herrera's government, indicate in what direction the present leadership of the MAS is leaning in that regard. These political concepts are the offspring of pragmatism, and the MAS cannot be pragmatic.

What is more, we must reject sectarianism and messianic military dictatorship whose concepts are the offspring of subjectivism. This political practice is what did the most harm to the MAS. Internally, it eliminated its democracy and wiped out debate and political discussion. In the general policy sector, it has imposed an exclusive and powerful line which isolates us from other national sectors and puts aside ideas of convergence and amplitude which, at the beginning of the MAS, gave it a good image.

We must also overcome electoralism as a deformation which practically converts the party into a mere electoral movement that is solely motivated and mobilized during the heat of election processes. That deformation imparts an image of spasmodic activity, and socialism does not advance by spasms.

We must abandon the anticommunist positions which lately have been manifested in some sectors of the MAS leadership, and resume the original positions of our movement in the international sector, exemplified by a critical posture vis-a-vis the socialist societies without unconditional positions of any kind and without considering ourselves their adversaries.

We must reaffirm our solidary position with all the revolutionary and progressive movements of the world, particularly with the liberating movements of Latin America.

We must reaffirm our clearly antiimperialist position, understanding by this opposition to transnational capital and the imperial centers of world

Deformations in this sector have reached the point that with regard to the events in Poland, the MAS parliamentary group proposed a vote of censure in the congress; however, in the face of genocide on the part of the Israeli army against the Palestinian people, only a weak declaration was produced.

We must also overcome organizational chaos. A force which proposes a serious and profound change such as the one required by Venezuela cannot be an amorphous, organically weak, internally disorganized force. We need a strong and efficient organization which guarantees the participation of all activists in the preparation and control of policy. To accomplish this, it is necessary to rectify the policy of disciplinary sanctions, reestablish organizational structure, internal democracy, channels of information and political discussion, as suitable ways to build political, theoretical and practical support for social change, with abolition of the club style of operation which predominates in the MAS.

From the theoretical standpoint, we must reestablish the dialectic as the methodology of analysis of the Venezuelan social process, to orient ourselves in the morass of contradictions and establish precise objectives for the structural change we are proposing.

Without a theoretical guide to precisely define the political and economic interests of the country's various sectors, the driving force of change will remain subject to the vagaries of opportunism, pragmatism and subjectivism.

These rectifications are urgent; however, they will not be enough if they are not linked with a proposal that includes the absolute need for change in Venezuelan society today. That need for change is present in the economic structure and political institutions. To propose changes in the political institutions without relating them to the shattering of the monopolistic structure which controls the Venezuelan economy and policy is to approach the problem from the wrong end. In our opinion, an approach which reestablishes our communication with the country would be condensed in a minimum program whose basic points would be as follows:

1. We must reorient economic development toward construction of an agricultural-livestock infrastructure which will free the country from food dependency and as a consequence thereof its defensive weakness.
2. As a corollary of this national objective, we must save down to the last cent of oil revenue to finance projects such as electricity, railroads, highways, dams, stockpile centers, housing, health service, education and culture and establish the necessary agricultural-livestock structure.
3. Pursuant to this savings policy, we must shut off the drain which produces the chronic deficits of the state enterprises and place them, as social property, under self-management forms of administration. We must give the productive communities which today are constituted by the public, industrial and service enterprises a decisive role in the handling of said enterprises. The oil industry would remain under a special administrative system.

4. We must break the monopolistic structure of the private economy, to prevent economic groups from taking advantage of state benefits to appropriate the juiciest part of oil revenues.

5. We must give decisive support to small and medium-size enterprises, to the cooperative movement and to individual producers, whether they be artisans or peasants, as integral parts of a new economic order.

6. In line with the above-mentioned objectives, we propose a plan to recycle human resources and redefine the role of education, science and technology to support economic change.

7. We must define a policy which incorporates the cultural forces of the nation in the attainment of this national program. The intellectual forces of the university institutions, mass media, art and culture should be mobilized as an integral part of creating the psychological conditions necessary for political change of this magnitude.

These objectives cannot be attained with the country's current political leadership. Therefore, this leadership has to be replaced. New leadership should arise, and political change is the necessary condition for assuring the re-orientation of the economic model at the government level.

However, this change cannot be achieved if perfectly aware and efficiently organized political will does not exist: a challenging and creative force which simultaneously rejects what is now in existence and sets forth solutions. In other words, a force which rejects by affirming and proposing visible and feasible solutions.

MAS can play this role if it changes its policy, defines its organizational character, educates its activists revolutionarily and clearly characterizes itself as a socialist organization with socialist principles. In the event it fails to do this, the need will still be there. It is up to the Directorate. It is also up to the Party.

Tirso Pinto, deputy secretary-general; Luisa Camarillo, Zulia region, member of the Regional Disciplinary Tribunal; Maria Teresa Alvarez, Lara region, member of the Regional Committee; Luis Enrique Carta, Aragua region, member of FETRARAGUA [Aragua Workers Federation]; Dr Gilberto Rodriguez, leader of the Aragua trade union; Carmen Roman de Torres, Caracas communal leader; Andres Avila, Aragua region, member of the Regional Disciplinary Tribunal; Edecio Camarillo, Zulia region, communal leader; Miguel Avila, former Guarico MAS secretary-general; Victor Garcia, secretary-general of the Venezuelan Packaging Union, Aragua; Cesar Delgado, Aragua region, member of the Association of University Employees; Regulo Castillo, member of the Crespo Municipal Council, Aragua State; Prof Rafael A. Castillo, member of the Maracay District Council, Aragua; Hector Martinez, textile trade union leader from Aragua State; Ramon Leon, former member of the Aragua regional committee; Cesar Gil Sammys, former secretary-general of the Bolivar region; Olga Barrio, Aragua region; Omar Rodriguez, Aragua region, university professor; Freddy Mendoza, Aragua region;

Jovita Salazar, Bolivar region; Rafael Suarez, Aragua region, metallurgical union leader; Luisa Tovar Capote, Aragua region; Jose Bolivar, Aragua region; Morelis Tovar, Aragua region; Coromoto Diaz, Aragua region, neighborhood leader; Luis Diaz, Aragua region; Aurora Rangel, Aragua region; Orangel Rodriguez, Aragua region, textile union leader; Arnoldo Castillo, Aragua region; Guillermo Bengochea, Aragua region, district leader; Yolanda de Gil, Ciudad Bolivar region; Ramon Perez Rodriguez, Caracas region; Ivan Rojas Green, former secretary-general of Ciudad Bolivar district council; Rafael Martinez, Ciudad Bolivar; Mercedes Carias, Ciudad Bolivar; Carlos Marin, Monagas region, district leader; Jose Luis Carrillo, communal leader; Caracas-Parroquia Caricuao; Jose Gonzalez, Caracas region; Julio Bolivar, youth secretary, Lara region; Leyda Palencia, Lara region; Alejandro Rondon, Monagas region; Raul Luna, Monagas region; Alfredo Caigua, Monagas region; Vicente Figueroa, Monagas region; Nelson Luna, Monagas region; Jose Camacho, Aragua region; Virginia Avila D., Aragua region; Carmen Avila D., Aragua region; Lucinda Hernandez, Aragua region; Helios Bonet, Miranda region; Jose Alfonzo, leader of Parroquia Sucre, Caracas; Nelson Villasinda, Lara region, district leader; Raman Quintero, union leader, Aragua region; Rodrigo Villegas, Lara region; Edilio Lopez, member of the regional committee of the Barquisimeto council; Iris Pinto de Lopez, former member of the Lara regional committee; Luisa Cornivell, teacher leader, Parroquia Caricuao; Vladimir Solano, leader of Parroquia Caricuao, Caracas; Pedro Arenas Mago, sociologist, university union leader; Mario Pina, Lara region, communal leader; Pedro Lopez, Monagas region; Cruz Sequea, Monagas region; Vicente Marin, Monagas region; Vidalina Vazquez, Monagas region; Jose Camacaro, Yaracuy region; Edgar Durant, Yaracuy region; Candido Castaneda, Yaracuy region; Ivan Escalona, Yaracuy region; Eugenio Marcano, former MAS secretary-general, La Guaira; Francisco Rodriguez, union leader, Port of La Guaira; Francisco Blanco, coastal region leader; Enedina Agüero, Lara region; Leonidas Perez Perez, former secretary-general for organization of the Lara regional committee; Lenin Molina Penaloza, university professor, UCV [Central University of Venezuela]; Maria Gonzalez, leader of the Union municipality, Barquisimeto; America de Martinez, Aragua region; Oscar Bravo, Caracas region; Rogelio Diaz, Caracas region; Gladys Rojas, Caracas region; Mercedes de Carta, teacher, Aragua region.

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